annual report

1999/2000

COLUMBIA BASIN TRUST PROGRAMS

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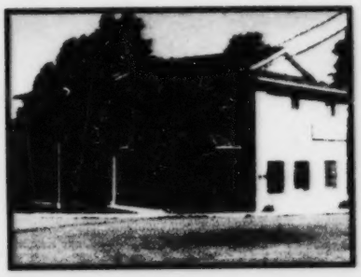
COLUMBIA BASIN TRUST

MAKING A DIFFERENCE

TRUST OFFICES

NAKUSP



102 Nelson
Avenue North
Nakusp, BC
V0G 1R0

The Trust continues to recognize the historical importance of retaining its office in Nakusp, a community directly affected by dam construction. Staff in this office will serve the Arrow and Slocan Lakes, Revelstoke and the Trans Canada corridor, and Valemount. The Nakusp office will house staff working basin-wide with partners in economic and business development, and locally in administration and finance.

CASTLEGAR

441 - 13th
Avenue,
Castlegar, BC
V1N 1G1

The Columbia Basin Trust is investing in the future with the construction of a new office building in Castlegar. The real estate development, located at 441 – 13 Avenue, is a key part of the Trust's investment porfolio. The location will house Columbia Basin Trust, Columbia Power Corporation and City of Castlegar Council Chambers. The building is located in Castlegar's business core, and is in close proximity to power project developments at Keenleyside and Brilliant dams. The office building is currently under construction and is expected to be completed by late fall 2000. In the long term, income earned from this and other investments made by the Trust will be used to bring benefits to the region as a whole.

CRANBROOK

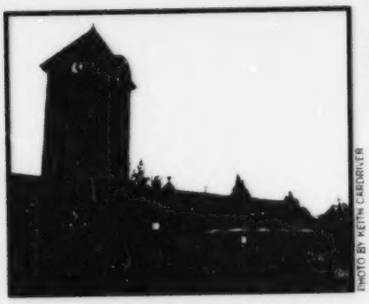


PHOTO BY KEITH CARDRILFR

828 Baker Street,
Cranbrook, BC
V1C 1A2

In July 2000, the Columbia Basin Trust also opened a satellite office in Cranbrook to be closer to investment and program delivery in the East Kootenay. The office is located behind the clock tower at 828 Baker Street. The Columbia Basin Trust has invested in the St. Eugene Mission Hotel and Golf Resort near Cranbrook, and Kicking Horse Mountain Resort in Golden. It has also funded dozens of projects in the eastern Basin region through its spending programs.

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P.O. Box 220, Nakusp, B.C. V0G 1R0

COLUMBIA BASIN TRUST

AVAILABLE FREE:
CALL THE TRUST

COLUMBIA BASIN TRUST ANNUAL REPORT 1999/2000 – Financial Review
(32-page audited financial statements)

VIDEOS
(1) COLUMBIA TREATY HISTORY – shows the effects of dam construction on the communities of the Basin
(2) FROM TREATY TO TRUST – Describes the formation of the Trust

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PHOTO BY KEITH CARDWELL

TRUST BOARD OF DIRECTORS. back row (L-R): John Voykin, Dieter Bogs, Jeannette Townsend, Don Johnston CEO, Mike Kartasheff, Greg Deck, Loni Parker, Fred Parker, Sandy Korman, John Bergenske, Dave Bjarnason, Joe Pierre, Bill Kruisselbrink. Front row: Anne Edwards, Garry Merkel, Josh Smienk, Jo Brown, Ron Oszust, Rick Hardie.

MESSAGE FROM THE CHAIR

JOSH SMIENK, Chair, Balfour

It has been exciting to be a part of the Trust, to watch it grow from concept to the delivering of benefits. Every day is a new and exciting challenge. Working with people and getting to know the Basin is one of the most valuable opportunities the Trust brings to me as Chair.

It has been five years since the Columbia Basin Trust Act has been passed and this region of the province has been empowered unlike any other region to use some of the income from the downstream benefits of the Columbia River Treaty to begin to level the playing field in respect to the past impacts.

The spending programs and investments are growing and are having a very positive effect on the economy, environment and social well-being of the Basin.

It is a really daunting task but in the past year we are beginning to see the fruits of all those who laboured and provided input and guidance through symposiums and public meetings to make the Trust a reality. The public input into the Columbia Basin Management Plan has kept us on course and been a very useful template to guide the Trust Board and staff.

As a result, the spending programs and investments are growing and are having a very positive effect on the economy, environment and social well being of the Basin. Our recent announcements of investments in Kicking Horse Mountain Ski Resort, the opening of the St. Eugene Golf Resort and the progress on the Arrow Lakes Generating Station near the Keenleyside Dam (on budget and ahead of schedule) are creating jobs today and income for programs far into the future. This Annual Report has further details on the success of our Investment and Spending Programs.

This next year we will be facing an election in the Province. Many people have approached us to express concern about the effect the results of the election could have on the Trust. While we are confident that the Trust is well positioned each of us needs to be vigilant about reminding candidates about who owns and directs the Columbia Basin Trust - the residents of the region. We are an organization that is here for the benefit of the people of the Basin. It is the residents who appoint the Trust Board of Directors to serve them according to the direction in the Columbia Basin Management Plan – a Plan which was created through a very extensive grassroots process. It is your job as Basin residents to ensure we are bringing benefits to the Basin according to your direction, and to watch out for politicians of any stripe that offer to do it for you according to their plan. As Chair of the Board I can assure you that the Board of Directors is very conscientious about sticking to this very public agenda, and committed to the open and grassroots direction we were built on.

This fall we will be having forums in your communities which will allow you to review and comment on our progress thus far and ensure that the Trust is continuing on its mandate as given by the public of this region.

We look forward to seeing you again.

I would like to thank Don Johnston CEO, Trust Staff, our partners at Columbia Power Corporation, and Trust sector committee volunteers for their great work and continued support over this last year in making the incredible dream of what could be into reality.

GARRY MERKEL, Vice-chair, Kimberley

I am a forester by trade (28 years now). However, my "real" work involves envisioning, building, governing and administering many types of organizations. This has provided me with a few of the tools needed to deal with the Trust's challenges. It has been an honor to be a part of building the Trust because it represents a way of empowering people to shape their own future.

TRUST MANDATE

The Trust manages the region's share of downstream benefits from the Columbia River Treaty to bring social, economic and environmental benefits to the region most affected by dam construction.

MESSAGE FROM THE CEO

DON JOHNSTON, CEO

As I reflect back on the last year, there are an astounding number of thoughts and images that come to mind. When I arrived at the Trust in February of 1999 it was with a mixture of excitement and apprehension. Excitement at coming back to the part of the province where I grew up, and excitement at the amazing vision that was the foundation for the Trust. The apprehension came from knowing that the people in the Basin had high expectations for the Trust and wondering how we could ever live up to the dream.

Some 15 months later the excitement is even greater, but the apprehension is no longer there. I have been tremendously grateful for the support and encouragement I have received from so many people as I travelled around the Basin. I appreciate that people understand the challenges of creating a new organization and a new way of working with people. At the same time, I understand that this continuing goodwill demands that we work diligently to deliver benefits to the Basin.

This annual report provides information about some of the benefits that have been delivered over the past year. We are now fully engaged in the implementation plan with both our spending and investment programs. We have accomplished much and we have much more to do. Over the next few months you can expect to see more programs in place and you can expect to hear about new investments in support of economic development in the Basin. We are making a difference.

I would be remiss if I did not specifically thank some particular people. First, I would like to aknowledge the tremendous support and hard work from the staff of the Trust. Building a new organization is not a simple task. Building it in an atmosphere of great expectations is just that much more difficult. And yet, the staff team continues to work with great energy and commitment, dedicated to creating an organization that matters to the people of the Basin, an organization that remains true to the spirit and the intent of the Columbia Basin Management Plan.

We have accomplished much and we have much more to do. Over the next few months you can expect to see more programs in place and you can expect to hear about new investments in support of economic development in the Basin. We are making a difference.

The Trust, though, belongs to the residents of the Basin. I want to thank the many individuals and organizations who have worked with us through the development of the implementation Plan, and who continue to work with us in the delivery of this Plan. This group includes all of our partners on both the investment and spending sides. It includes the delivery agents who are working with us to provide administrative support to the delivery of programs in communities. And I would like to extend a special thanks to the many volunteers who give freely of their time on the advisory committees that assist the Trust to develop programs in each of our five sectors. You will read more about their work in other parts of this annual report, but our ability to include Basin residents in delivering benefits simply couldn't work without the willing and able participation of these volunteers. Thank you!

So what next? We are two years into our implementation strategy and fully three years into the delivery of the Columbia Basin Management Plan. The Plan is quite specific in its instructions about monitoring and evaluation. This year, as instructed by the Plan, we will be engaging the services of an independent third party to work with us to evaluate how we are doing in implementing the Plan, and to help us develop a monitoring and evaluation framework so that we can continually measure our progress towards achieving the goals in the Plan.

The Plan is equally specific that the Trust is accountable to the residents of the Basin for its investment and spending decisions. As an adjunct to the monitoring and evaluation process, and as a means to continue an active dialogue with the people of the Basin, we will be organizing a series of day long workshops throughout the Basin over the coming year. These workshops will allow us to engage people in conversation regarding how we are doing, and where we are heading. The sessions will, of course, be open to everyone and I encourage you to attend when the meeting is announced for your area. If we are to live up to the ideal of being accountable to 160,000 people we need your active participation.

I look forward to meeting many of you at these sessions, but we also encourage you to contact us if you would like someone from the Trust to visit your community and talk to your associations, your organizations or to you and your neighbours. We welcome the opportunity to talk about what we are doing and to hear your thoughts and opinions.

I will close by saying that the only way we can truly make a difference in the long term is by continuing to work together to make the Trust everything it can be. Thank you for your tremendous support up to now, and thank you for your continuing support and involvement in the future.

TRUST STAFF

Back Row: Patty Bossort, Coordinator Spending Program; William Wallace, Chief Investment Officer; Jane Hutchins, Coordinator Operations and Planning; Marilyn Rivers, Administrator Spending/Accounting; Rina Gresiuk, Administrative Assistant II/Investment; Matt Wenger, Director, Information Technology; Maggie Maloney, Administrator Investment/Board Matters; Don Johnston, Chief Executive Officer; Debra Stewart, Administrator Accounting/Personnel; Merrilla Thorp, Administrator Spending Program; Dave Strachan, Manager Lending Programs and Business Development.
Front Row: Eliah Farrell, Manager Community Relations; Agnes Koch, Manager Spending Program; Jody Lamb, Administrator Community Relations
Missing: Bob Krysac, Chief Financial Officer

100-07073/

Participating in Trust Programs

HOW CAN I PARTICIPATE IN THE TRUST'S INVESTMENT PROGRAM

The Trust has placed capital in business loans programs with Community Futures Development Corporations and Credit Unions to make money available for small business development in the Basin. (See page 21 and 22 of this report for more details). For business loans of $250,000 or less contact the Community Futures Development Corporations. For larger business loans, contact the Credit Union in your area. Ask to talk to someone about loans or business investment programs in partnership with the Trust.

If you are looking for investment that is not loan related, and have developed a solid business plan, call the toll free line and ask to speak to the Manager of Lending Programs and Business Development.

The Trust is also participating in a pilot Micro Enterprise Loan Fund to offer small amounts of capital to businesses that would not traditionally qualify for bank or credit union loans. Watch for more information in the fall of 2000.

HOW CAN I PARTICIPATE IN THE TRUST'S SPENDING PROGRAM?

Watch the Trust's web site and home page announcements, or watch your local newspaper for information about what programs are currently being funded. If your projects fits the program criteria follow the instructions and submit an application.

Programs are currently being developed or are already underway in the following areas:

Social
Youth
Economic
Arts, Culture and Heritage
Environment
Water Management
Education and Training
Community Initiatives Basin-wide

More information about these programs is available in this report.

Note: Program funding cycles vary. Project selection for the fiscal year has already been completed for many of the programs. Other programs won't begin until later in the year, and some programs, like the Basin Community Initiatives Program have multi-year funding.

INTERESTED IN PARTICIPATING IN OUTREACH WORKSHOPS?

- Watch your local newspapers for information about upcoming workshops or the availability of survey questionnaires.
- Check the Trust website homepage for updates – **www.cbt.org**
- E-mail the Trust and let us know you're interested – cbt@cbt.org
- Complete the survey form in this annual report and return it to the Trust.
- Call 1-800-505-8998 and ask to have your name put on the workshop mailing list.

Currently the capital investment is providing about $3.75 million per year for the spending program. By 2002 this could rise to $10 million per year.

www.cbt.org
1-800-505-8998

Key things to know about Trust Program Delivery

COLUMBIA BASIN MANAGEMENT PLAN (the Plan) – was developed in consultation with the people of the Basin. It sets out the principles, goals and objectives for the Trust during its first five years of operation. Program development and delivery priorities are set each year based on the amount of money available to invest or spend. The Plan is very broad. As more spending money becomes available, the Trust will provide programs in all the goal areas.

Reading the Plan will give you good information about the vision that basin residents have for the Trust, and a better understanding of our approach to program delivery. To get a copy of the Plan visit the website or call the toll free line!

INVESTING THE CAPITAL AND SPENDING THE INCOME EARNED - Underlying program development is the idea that we must invest before we spend. The goal is to invest the capital, preferably inside the Basin, to stimulate the economy, create jobs, and earn income for the Trust's spending programs. Well managed, the capital can generate income for years to come. Currently the capital investment is providing about $3.75 million per year for the spending program. By 2002 this could rise to $10 million per year.

COMMUNITY DELIVERY PARTNERS – The Trust prefers to deliver its programs through organizations that act as delivery partners. This approach is outlined in the Columbia Basin Management Plan. The benefits of working with community partners include:

- Programs benefit from the skills and experience already available in the community;
- Supports the development of new and existing agencies and organizations in the Basin;
- Builds community capacity;
- Develops basin-wide networks;
- Adds value to programs by bringing together funding from more than one source.

Stay in touch with organizations in your community who may be helping to deliver programs in your area.

ADVISORY PROCESSES - The Columbia Basin Trust Act requires that the Trust have one or more advisory committees of at least seven members appointed to reflect the diverse interests and needs of the region. Currently the Trust has four sector committees providing advice to the spending program. The names of committee members are listed throughout this report in conjunction with the program delivery area they are working on.

The investment program receives ongoing specialized professional advice as required in the financial assessment and negotiation of investment opportunities.

EXPANDED ADVISORY PROCESS 2000-2001

In the fall 2000 and spring 2001 the Trust will again be consulting with the people of the Basin through a series of community workshops and associated outreach activities. This is an opportunity to provide feedback on how program delivery to date meets the requirements of the Plan, to look ahead to program priorities and methods for the future, and to celebrate the achievements of Trust supported programs in your community.

FOR MORE DETAILED INFORMATION ABOUT PROGRAM DELIVERY SEE PAGE 30 OF THIS ANNUAL REPORT.

TRUST DIRECTOR

JOHN BERGENSKE, Skookumchuck

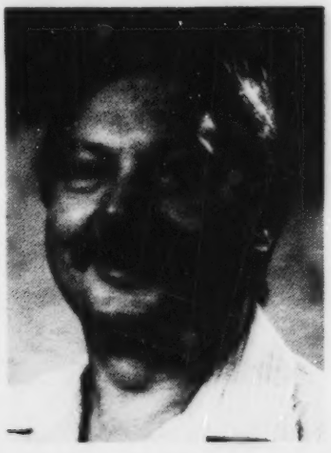
I am interested in working with Basin residents to assure that the protection of our diverse, natural environment is reflected in the Trust's investment and spending programs. I have a strong sense of responsibility for maintaining a healthy environment as the basis for vibrant communities.

ARROW LAKES GENERATING STATION

"The public has directed us to develop certain power projects. This will produce more power and at the same time improve the environment for fish – that's a benefit for the region. And there's another win – the sale of power generated from improvements to existing facilities will then provide more income for the Trust to spend on social, economic and environmental benefits for the residents of the basin the long term."

Josh Smienk, Chair

TRUST DIRECTOR



DAVE BJARNASON, Cranbrook

Working with the Trust is an opportunity to assist in creating long-term, family-supporting employment. My experience with the Trust has at times been frustrating, demanding and hard work, but overall it has been both exciting and fulfilling. I believe the expertise I bring to the Board, taken in combination with that of the other directors, will move the Trust ahead in a balanced manner.

Fulfilling our commitments to the region

The Columbia Power Corporation (CPC) and the Columbia Basin Trust (the Trust) are joint venture partners in the construction of the $250 million Arrow Lakes Generating Station at Keenleyside Dam. Through years of planning and the four-year detailed environmental review which led up to this project, the partners made commitments to the local community and the region for environmental protection, community consultation, improved recreational opportunities, and local employment.

Logging of the 48 km transmission line right-of-way started in the spring of 2000, in preparation for the installation of the $20 million transmission line associated with the Generating Station. The transmission line will be in service by April 2002.

"Now that we are close to the half way point in the project we are proud of our track record in fulfilling our commitments to the community," said Wally Penner, CPC Director of Community and Regional Affairs. "The benefits of this project are ongoing, and will be visible in the community for a long time. Our commitment is to the long term."

COMMUNITY CONSULTATION

An ongoing Community Impact Management Committee has been created which includes local residents, municipal government, project representatives, and business people. This committee meets monthly to discuss progress on the project, and to pass on and rectify community concerns.

"Given the size of the generating station construction project, the number of complaints expressed by residents has been relatively small," says Audrey Repin, Manager of Community Relations. "By listening carefully, and looking for responsive and creative solutions we have been able to build strong support for the project in the community."

"The lack of serious community impacts shows that the community's involvement is high, therefore any issues are resolved before becoming a serious concern," says Allen Crockett, Member of the Community Impact Management Committee, Director, Area B, Regional District of Kootenay Boundary.

TRANSMISSION LINE CONSULTATION

CPC has reviewed a number of alternative routes and worked with residents and stakeholders to consider values such as forestry and wildlife, fish and water. After considerable consultation a corridor has been selected for the transmission line. Those residents whose land is required for the power line right-of-way are being dealt with fairly and reasonably and will be justly compensated for the affect of the line. CPC is working towards minimizing the effects of transmission line construction, and disruption to the residents of the area. Where possible the transmission line route parallels the existing BC Hydro right-of-way.

"In many ways settling of transmission line right-of-way issues has been the most difficult part of the project," says Penner. "We understand that people have had past experience where they have not been treated well in land negotiations associated with power project construction. We were determined to prove that these negotiations could be handled fairly with satisfactory outcomes for the residents and the project. I think we've been successful in that."

PEOPLE FOR PARKS PROGRAM

As part of its commitment to the region, Peter Kiewit and Sons, the contractor for the Arrow Lakes Generating Station, provided $100,000 in funding over a two year period in support of parks development region-wide. This opportunity is advertised basin-wide and communities are encouraged to apply for funding.

TRANSPORTATION MANAGEMENT

"People remembered that when they built the Hugh Keenleyside dam in the 1960's there were major problems with traffic," says Repin. "With this construction project we implemented a traffic management plan which required workers to access the site along a less populated route, and residents have been very pleased with the result." The project has invested in, and built bus turnarounds for local school buses. CPC works closely with school district representatives and community residents to minimize the impacts.

"These solutions are not costly – but they require good communication between project managers and the community, and a dedication to ensuring that people and families come first," says Penner.

ENVIRONMENTAL PROTECTION

REDUCTION OF DISSOLVED GAS in the water downstream of Keenleyside Dam will be achieved through the operation of the new generating station. The water which flows through the turbines will create less gas supersaturation than the water that is currently spilled over the dam.

Gas supersaturation (also called gas bubble trauma) is a condition that affects fish. It occurs when supersaturated gases come out of solution in the bodily fluids of the fish. When this occurs, gas bubbles can cause traumatic damage in fish tissues similar to "the bends" suffered by human scuba divers.

Any reduction in dissolved gas is cumulative and benefits fish populations throughout the whole Columbia River system downstream from the dam.

FERTILIZATION OF RESERVOIRS

CPC and the Trust are providing approximately $175,000 (indexed for inflation) in funding per year in perpetuity to support the Columbia Basin Fish And Wildlife Compensation Program's (CBFWCP) fertilization of lakes and fish enhancement projects in the Arrow Lakes.

Dams prevent nutrients that are essential to the food chain from being dispersed naturally throughout the

PHOTO BY DAVE CRONIN

Arrow Lakes Generating Station at Keenleyside Dam.

PHOTO BY DAVE CRONIN

Sedges and Fish Fingers near Arrow Lakes Generating Station.

downstream waterways. The fertilization program restores nutrients to the food chain which are essential to fish populations in habitats downstream from dams.

A fertilization project was started in 1991 on Kootenay Lake below the Duncan Dam. Early results show that the number of Kokanee Salmon spawning on Kootenay Lake has risen by 800 percent from 1991 – 1997. Based on this successful experience the CBFWCP began fertilizing Arrow Lake behind the Keenleyside Dam in 1998. This program is already paying dividends as reports from project scientists indicate that algae (phytoplankton) abundance has increased two and one-half times in the Upper Arrow. Phytoplankton, which requires nitrogen and phosphorus nutrients, is a critical link in the lakes' food chain for Kokanee and sport fish including Rainbow and Bull Trout.

"This fertilization program will do good things for the Arrow Lakes. We have seen the success on Kootenay Lake. I feel we'll have some fantastic fishing in 4 - 5 years on the Arrow."

Glen Olson, Guide and lifetime resident of Nakusp, Glen Olson's Fishing Charters

"Because of the importance of these programs to the protection of the fishery, the joint venture partners began contributing to the fertilization program one year earlier than required by our environmental permit," says Penner. "We're adding value to the larger $ 3.2 million commitment from BC Hydro to compensate for the loss of fish habitat on these systems. BC Environment is providing technical expertise to the CBFWC program."

RECLAMATION PLAN

A reclamation plan has been prepared that will rehabilitate the project area. This plan includes the creation of a wetland upstream of the powerhouse, construction and preparation of aquatic habitat enhancement areas, and planting of native scrubs and grasses in the vicinity of the project. Some areas have already been seeded with native vegetation while approximately 60,000 native shrubs and plants are being raised for transplanting as the ground becomes ready.

RECLAMATION OF SURROUNDING AREA

Borrow areas from the original dam project were never reclaimed. In the construction of the Arrow Lakes Generating Station these, and other forest, grassland, and watercourse areas are being reclaimed as part of ongoing project construction. The Canadian Wildlife Service and BC Environment approved the reclamation plan that will be used in the reforestation and improvement of fish and wildlife habitat.

LOCAL EMPLOYMENT

The construction of the Arrow Lakes Generating Station is expected to create approximately 1000 person years of direct, indirect and induced employment in the region over four years. Qualified residents within 100 km of the project benefit from first hiring preference. Currently there are 300 workers on site including management and tradespersons – 85 percent of the tradespersons are local residents. The labour force is provided under the collective agreement between Columbia Hydro Constructors and the Allied Hydro Council, and includes availability of apprenticeship and training opportunities, and the promotion of equity hire. This provides unique opportunities for women and First Nations to increase workforce participation.

Columbia Basin Trust staff tour the construction site of the new Arrow Lakes Generating Station.

ARROW LAKES GENERATING STATION

QUICK FACTS

- **Project Cost $250 million**
- **Transmission Line cost $20 million**
- **Contractor Peter Kiewit and Sons**
- **Project start date February 1999**
- **Project scheduled to generate power Spring 2002**
- **Installing two 85 megawatt turbine and generator units into a new 18-storey powerhouse just downstream from the existing Keenleyside Dam**
- **Generating 170 megawatts of power or about 800 gigawatt hours of electricity annually which could light up a city approximately the size of Kelowna**
- **Power generated will produce about $300 million in sales over 12 years**
- **1500 metre long approach channel to divert water to the powerhouse**
- **Employment construction – approximately 1000 person years over four years**
- **$50 million in wages**
- **Employment long term – 8-10 full time positions**
- **Move about four million cubic metres of rock and overburden**
- **Transmission line 48 km long, paralleling existing BC Hydro right-of-way for one-half of its length**
- **Arrow Reservoir is 216 km long**

TRUST DIRECTOR

DIETER BOGS, Trail

I enjoy being involved in the decision-making process of the Trust as it affects the Basin residents. As a founding member of the Columbia River Treaty Committee and now as a director of the Trust, I have a strong understanding of the people and resources in the region, and I like to use a Basin-wide approach in my decision-making.

BRILLIANT DAM

QUICK FACTS

BRILLIANT DAM

- Owned by the Trust and Columbia Power Corporation
- Originally owned by Cominco and operated by West Kootenay Power
- Currently provides over $2 million per year in income for the Trust and CPC
- Power sold to West Kootenay Power under a guaranteed 60 year sales agreement
- Partners investing about $3 million per year to restore the dam to its original condition
- Local employment on concrete rehabilitation: 35 workers per year

BRILLIANT UPGRADE

- Multi-year upgrade project costs $40 million
- Project completion 2002
- Increased power about 20 megawatts or 15% over current capacity.

TRUST DIRECTOR

JO BROWN, Winlaw

I was attracted to being part of building a new organization that will be a legacy for our grandchildren and perhaps even their grandchildren. I think it is important to keep the work of the Trust grounded at the community level and in touch with the perspectives of ordinary working class people.

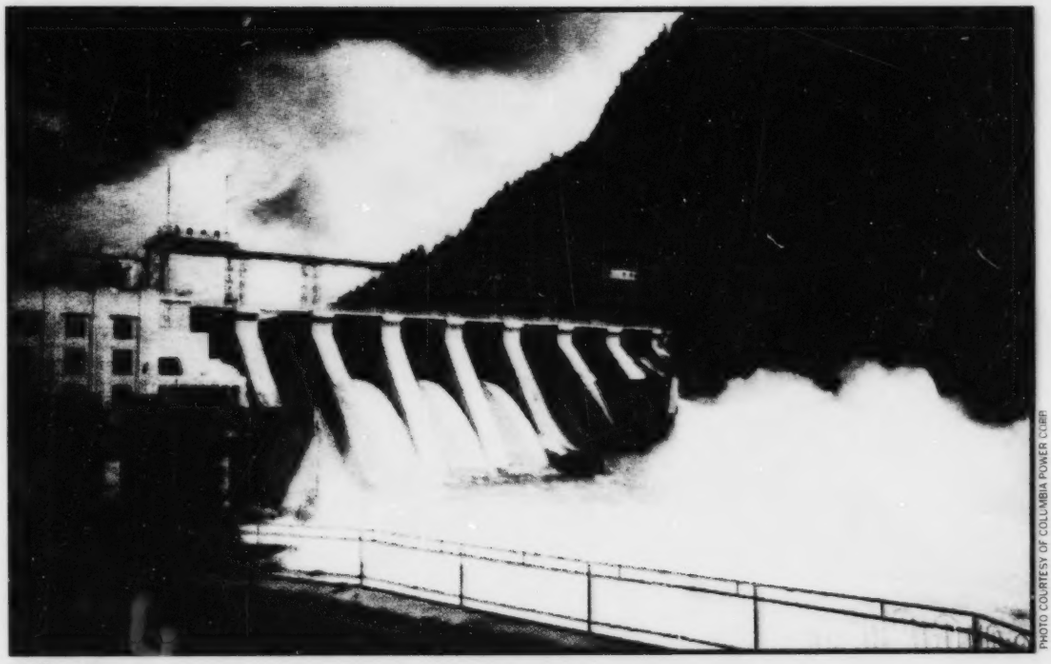


PHOTO COURTESY OF COLUMBIA POWER CORP.

Brilliant Dam

BRILLIANT UPGRADE PROJECT

Replacing turbines and parts of existing generators will increase efficiency and reliability of output. No new structures will be built; the upgrade project involves modifications to existing mechanical and electrical equipment, and more efficient water-wheels (runners). The upgrades are a very low cost and environmentally friendly source of power.

ENDORSEMENT FOR ENVIRONMENTAL BENEFITS AT BRILLIANT

The upgrades and proposed expansion at Brilliant Dam have received a project endorsement for reduction of dissolved gas (TGP), and indirect reduction of greenhouse gas.

Six U.S. environmental agencies, two U.S. power producers and a U.S based First Nations confederation, all concerned with improving water quality in the Columbia River south of the Canada-US border, by reducing dissolved gas levels. Dissolved gas is introduced naturally by waterfalls and is further increased by the spills that occur at most hydro dams when flows exceed turbine capacity. Dissolved gas is harmful to fish, and is cumulative in the system. Upstream reduction of dissolved gas benefits fish all along the river system.

The Pembina Institute has confirmed air quality benefits that the projects at Brilliant will cause through an indirect reduction of greenhouse gas emissions. The Institute, is an independent citizen-based think tank with a solid national reputation in the areas of energy and environmental economics and sustainable resource management. They conclude that the project will generate real and additional net reductions in greenhouse gas emissions which may well qualify for financial credits in a possible future emissions trading system. The net reduction will contribute to Canada's commitment in the 1997 Kyoto Protocol.

RECREATIONAL DEVELOPMENT

With the purchase of the Brilliant Dam in 1996 the Trust and CPC acquired title to over 250 hectares of forested and agricultural lands, and another 32 hectares of flooding easements, located on both sides of the Brilliant Reservoir and extending from the dam to the Slocan Pool.

The Partners have recognized the potential of these lands for recreational use and are working with communities to develop these opportunities. The Friends of Parks and Trails organization has recently completed development of the Skattebo Reach and Brilliant Overlook trails which are enjoyed by many local hikers. In addition, a total of $200,000 has gone into improvements at Pass Creek, and Syringa Parks near Castlegar, and other local parks.

PHOTO BY DAVE CROWN

Turbine repair at Brilliant Dam.

PROPOSED BRILLIANT EXPANSION

Even with the upgrades complete, annual waterflows at Brilliant will exceed powerhouse capacity. In order to gain the benefit of excess waterflows the joint venture partners are planning to build another powerhouse on the east bank of the Kootenay River to generate additional electricity.

Intensive environmental and engineering studies are ongoing. The partners have begun early consultation with communities and stakeholders prior to entering the Environmental Assessment process. Work on the project will not begin until environmental permits, power sales and other required agreements are in place.

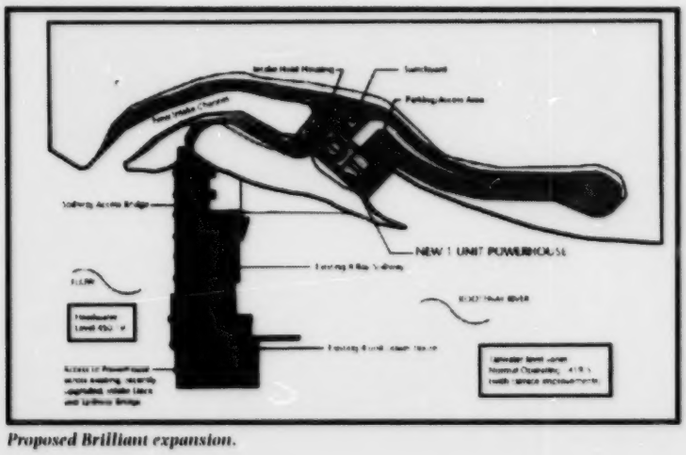
"Since January 2000 CPC has held more than 30 meetings with representatives of local governments and community organizations, and residents of Ootischenia, Brilliant, Shoreacres, and Glade," says Wally Penner, CPC Director of Community and Regional Affairs. "There is general support for the project in the community, and recognition of its social, economic and environmental benefits. People are asking good questions and helping us to ensure their interests are considered in the development of a comprehensive project proposal."

In order to ensure steady levels of local employment, the partners plan to phase in construction on the Brilliant Expansion when the Arrow Lakes Generating Station at Keenleyside is nearing completion.

Wally Penner

"Assuming the Brilliant Expansion project is approved by the BC Environmental Assessment office and is economically viable, construction of the project should dovetail with completion of the Arrow Lakes Generating Station at Keenleyside in 2002."

Wally Penner, CPC Director of Community and Regional Affairs



Proposed Brilliant expansion.

As part of the Trust's Water Management liaison work, the Portland-based Northwest Power Planning Council visits Brilliant Dam. L-R: Wally Penner, CPC; John Harrison, NPPC Information Officer, Eric Bloch, Vice-Chair NPPC; Garry Merkel, Trust Vice-Chair; Eliah Farrell, Trust Manager Community Relations.

BRILLIANT DAM

QUICK FACTS

BRILLIANT EXPANSION

- **Planned project start 2002**
- **Estimated cost $130 – $150 million**
- **Generates an additional 100 megawatts of power**
- **No change in historical allowable water levels**
- **450 direct person years of employment during construction**
- **$5 million into the regional economy for supplies and services**
- **$18 million in after tax earnings**

Columbia Power Corporation acts as the manager for power project developments on behalf of the joint-venture partners.

JOINT VENTURE PARTNERS

- **Columbia Basin Trust**
- **Province of BC, represented by the Columbia Power Corporation**

FOR MORE INFORMATION CONTACT:
Columbia Basin Power Projects Information Office, 1125 – 4th Street, Castlegar BC, V1N 2A8.
Telephone (250) 365-8585, Fax (250) 365-8537, E-mail cpc@netidea.com

PROGRAM

COLUMBIA KOOTENAY FISHERIES RENEWAL PARTNERSHIP
$250,000 Trust,
$350,000 Fisheries Renewal BC,
$60,000 BC Hydro

The Columbia Kootenay Fisheries Renewal Partnership (CKFRP) is a community-based organization dedicated to enhancement of fisheries habitat, and environmental restoration and protection in the Basin.

"We know that the people of the Basin place high value on restoration, protection and enhancement of the natural environment, and they actively work in their communities to make things happen on the ground," says Bill Green, CKFRP Administrator. "Our goal is to bring together funding and technical advice, and provide education, skill building, and encouragement to support these community initiated fisheries, and stewardship and restoration activities."

The Fisheries Renewal Partnership Program has brought together $660,000 in funding from Fisheries Renewal BC, BC Hydro and the Trust. Opportunities to participate are advertised Basin-wide for individuals or organizations to apply for funding for aquatic habitat conservation and restoration, research monitoring and assessment and stream and watershed stewardship projects. A total of 22 community-initiated projects were funded in 1999/2000.

Strategic Planning Program (Total Trust and other funding $ 44,000) - involving communities in planning to restore watersheds and fisheries resources by providing information and technical expertise, and facilitating community-based planning. Work has begun on strategic planning for the Salmo & Pend D'Oreille and Upper Columbia River (to Mica Dam) Watersheds. As well, workshops have been held in Fernie and Castlegar to invite the public to comment on the future direction of the CKFRP.

Another program funded by the Trust and managed by the fisheries partnership is the Community Environmental Stewardship and Public Education ($100,000 Trust). Projects funded through this program involve land, forests, wildlife, ecosystems, watersheds and fish. Opportunities for project funding were advertised basin-wide. A total of eight projects have been selected.

To get more information call Jaimie Pepper, CKFRP, 1-250-417-FISH (3474).

SOME PROJECT HIGHLIGHTS

Hendryx Street Community Greenspace (Nelson)

Trust Funding $6,866

Earth Matters youth particpants and many community volunteers created the Hendryx Street Community Greenspace as a model "forest garden". The forest garden mimics a natural forest ecosystem while at the same time producing food, medicine, fibre and fuel, and providing the community with enjoyment and education. The garden is an excellent model of urban food production, urban biodiversity, and ecological gardening which enhances the land base.

The project has provided stewardship training, educational activities such as site tours and children's workshops. A stewardship manual for the site will serve as a model for other communities.

EARTH MATTERS

PHOTO BY JAIMIE PEPPER

Windermere Creek Project (near Windermere)

Trust funding $4,333

This 27 km Creek originates in the Stanford range of the Columbia Mountains and is a tributary of the Columbia River. It is a regionally important fish stream supporting Kokanee salmon, bull trout, west slope cutthroat trout, and eastern brook trout. The Windermere Creek watershed encompasses a number of stakeholders including forestry, mining, agriculture, First Nations and recreational interests and is a community watershed. This project promoted screening of creek intakes, access improvement to culverts, and delivered information on bio-engineering techniques to the community and others in the Basin.

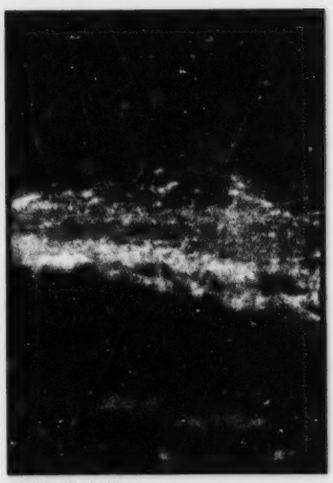
Kootenay Bear Awareness Program (East and West Kootenays)

Trust funding $20,000

The British Columbia Conservation Foundation has taken the initiative to expand the successful Revelstoke Bear Awareness Program (BAP) to communities throughout the Columbia Basin. The BAP is recognized as helping reduce bear-human conflicts in the Revelstoke area by 90% since its inception in 1996. In 1998 over 400 black and grizzly bears were officially destroyed because they were perceived or actual threats to human safety in the Kootenays. Many of these conflicts can be prevented through increased public awareness and stewardship, preventing the conditioning and habituation of bears, and better management of bear attractants.

PHOTO BY SUE CROWLEY

WINDERMERE: Spyder Hoe and hand labour crew complete installation of rootwads along Windermere Creek.



BEAR AWARE

Illecillewaet Watershed Atlas Project (Revelstoke)

Trust Funding $3,333

The Illecillewaet River is a major tributary that enters the Columbia River immediately downstream of Revelstoke. The river is affected by a major transportation corridor (the Trans-Canada Highway and CPR mainline), past mining, and past and present-day forest harvesting. The goal of this project is to ensure integrated natural and cultural resource information about the watershed is available to inform future planning, education and management of the Illecillewaet system, and develop terms of reference for a comprehensive assessment of the river. This information will be made available on the Columbia Mountains Institute and other partner websites during the year 2000.

MAGIC HAPPENS IN THE BASIN

$50,000 – Trust,
$43,000 Vancouver Foundation,
$5,000 TEMBEC Environmental Sector Program

In the fall of 2000, school age children will be invited to jump on board "The Magic Basin Field Trip" – an interactive, fun program designed to increase understanding and community stewardship of the beautiful ecosystems of the region.

The program, delivered by the East Kootenay Environmental Society, offers teachers and community educators the financial and other support needed to take children outdoors to explore local ecosystems with professional interpreters to act as guides for the experience. Programs will be directly linked to the BC education curriculum and can add value to classroom studies in a way that makes the natural world come alive. Participants will explore first hand the Basin's four main ecosystems – wetlands, grasslands, forests and old-growth forests.

"This program will help students understand the relationship between people and their environment at an early age," says Lee-Anne Walker, Project Co-ordinator. "Our hope is that youth will come to appreciate their rich natural heritage and the experience will encourage them to help care for the ecosystems they understand."

To get more information call EKES at 250-427-2535.

PHOTO COURTESY OF WALK ABOUT INTERPRETATION

Kikomun Creek Provincial Park offers a great wetland experience and turtle tour for Fernie's CL Salvador Elementary Grade 4 class during a recent Magic Basin Field Trip. Here Lee-Anne Walker of Walk About Interpretation talks to the class.

Illecillewaet Watershed Atlas Project (Revelstoke)

TERRESTRIAL SUMMER 2000 PROGRAM

Trust Funding $150,000

This program is part of a short-term strategy to address terrestrial ecosystem restoration and conservation needs in the Basin by funding a total of 12 locally initiated and community supported field projects. The program also supports recommended research and land acquisition activities that enhance terrestrial ecosystems. The Columbia Basin Fish and Wildlife Compensation Program (CBFWCP) is acting as the program delivery agent. They are working with the Grazing Enhancement Fund (GEF) to select projects which had already received technical approval and were ready to go in the summer 2000 field season.

SOME PROJECT HIGHLIGHTS

Deep Springs, St. Mary's Prairie Range

Cranbrook Forest District
Trust Funding $20,000

This area and project are rated very highly by the Trench Ecosystem Restoration Steering Committee and the GEF advisory committee. Includes slashing 50 hectares to open range standards. This will set the stage for restoration of grass and shrub land features, increase forage, habitat bio-diversity and management flexibility

Revelstoke Wolverine Radio Telemetry

Trust Funding $7,500

Over the past five years research projects have satisfactorily determined wolverine density, movements, and habitat use in the north Columbia Mountains. However, natality and mortality data are still sparse due to slow reproductive rates and the limited sample of radio -collared females. The purpose of this project is to fill those information gaps as a basis for developing progressive management and habitat preservation techniques to conserve this blue listed (vulnerable) species.

STEERING COMMITTEE

ENVIRONMENTAL SECTOR 1999-2000:

Mike Brewster (Nelson)

Patricia Creelman (Cranbrook)

Denise English (Golden)

Pat Field (Castlegar)

Bill Green (Cranbrook)

Pierre Kaufmann (Winlaw)

Cindy Pearce (Revelstoke)

Jan Skiber (Kimberley)

Robert Watt (Winlaw)

Staff Facilitator:
Patty Bossort
Spending Program Co-ordinator

LAND CONSERVANCY PROGRAM

Trust Funding $350,000

The Columbia Basin Trust is participating in increasing the protected status of lands located in the Wyclife/Porteus area of the East Kootenay Rocky Mountain Trench, as part of its commitment to fish and wildlife habitat protection. The Wycliffe/Porteus lands were made available from property held by Cominco, and adds value to other conservation lands held by the Ministry of Environment.

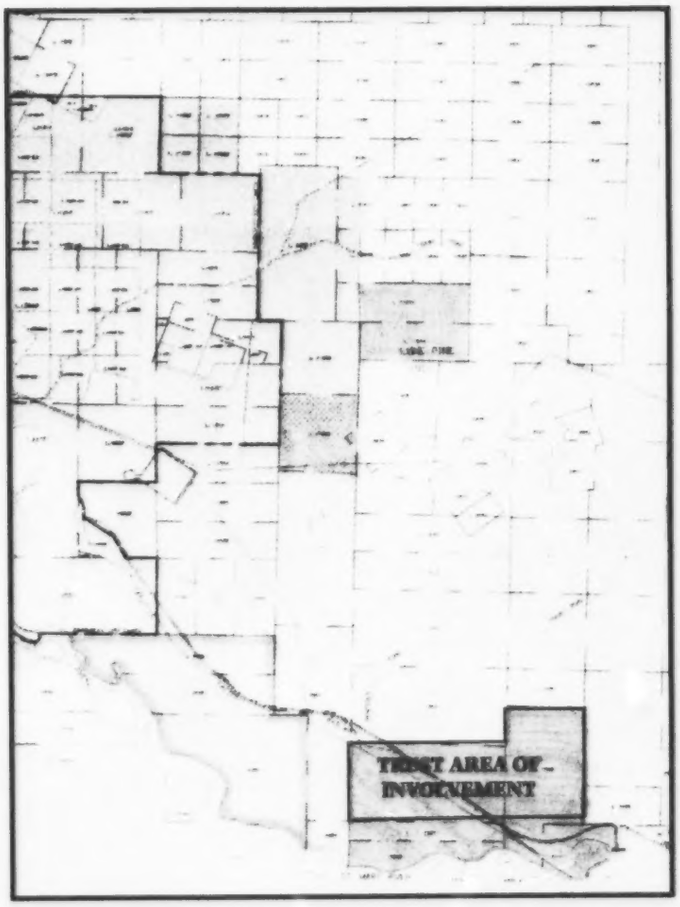
The Land Conservancy (TLC) took the lead in this land acquisition, provided legal advice and will hold the title to the Wycliffe/Porteus property. The Columbia Basin Fish and Wildlife Compensation Program (CBFWCP) has long term interest in adjacent properties.

This acquisition strategy will consolidate the protection of grassland habitat containing critical Class 1 and 2 winter range, from 224 hectares (acquired in 1998 by BC Environment) to 980 hectares.

Land conservation attempts to balance these interests and public demand for use of wild areas with the need to conserve the intrinsic values of the land and its capability to support fish and wildlife.

For more information about land conservancy visit **www.conservancy.bc.ca**

"In order to be successful land conservancy requires a strategic approach that designates certain lands as desirable for conservation. Then we work in advance to create relationships and gather together the funding sources necessary to respond in a timely way when these properties become available," says Bill Turner, TLC Executive Director.



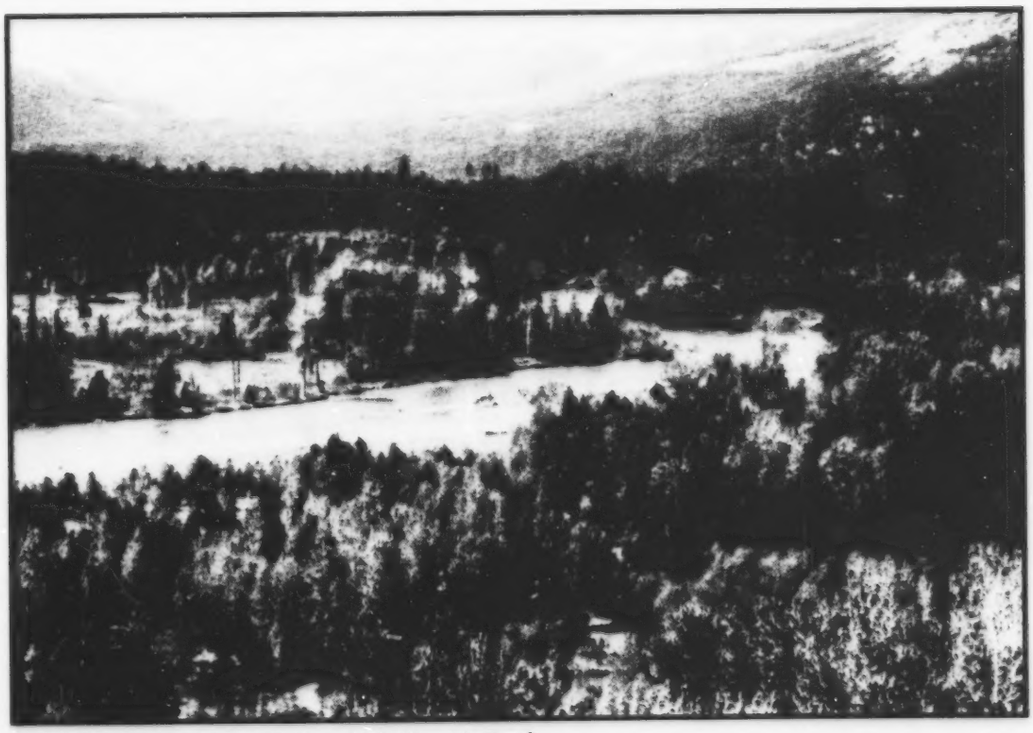
WYCLIFFE / PORTEUS PROPERTY PROJECT

(near Kimberley)

In the acquisition of the Wycliffe/Porteus lands, TLC has worked extensively with the ranching community, and will honour its commitment to protecting ranching interests while conserving grasslands habitat. Two of the current leasees have already become involved with the Conservancy through participation in its East Kootenay Grassland Stewardship Program.

The Rocky Mountain Trench is under intense pressure for agricultural use, and the development of sub-divisions, golf courses and ski resorts. At the same time it is recognized as the "Serengeti of North America" because outside of Africa no area of equal size supports as many big game species inhabiting similar ranges.

The Rocky Mountain Trench is recognized as the "Serengeti of North America" because outside of Africa no area of equal size supports as many big game species inhabiting similar ranges.



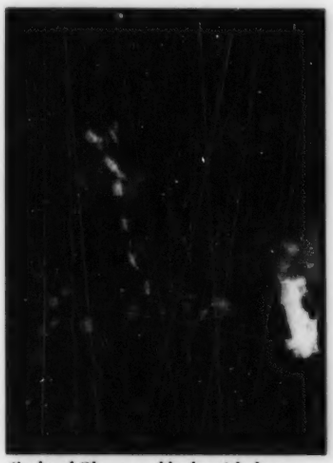
Wycliffe/Porteus area of the East Kootenay Rocky Mountain Trench.

PROGRAM

Columbia Kootenay Cultural Alliance

Trust Allocated $200,000

The Columbia Basin Trust partners with the Columbia Kootenay Cultural Alliance (CKCA) to deliver arts and culture funding in the Basin. In 1999/2000, the CKCA, which is an



Gerhard Oberauer, blacksmith demonstrating use of the forge to Valemount elementary school children as part of the Artist-In-Residence program.

umbrella association of arts, culture and heritage sector representatives, carried out six programs, resulting in the creation of more than 120 artistic projects. These projects included basin-wide touring arts shows, conferences, plays, books, and a web site. The Cultural Alliance will continue to be the delivery agent for the Trust's arts and cultural funding in the upcoming year. For more information about this partnership and funding available in 2000/2001 turn to the Cultural Alliance website at **www.basinculture.com/funding.htm**

SOME PROJECT HIGHLIGHTS

Cranbrook Snow Sculpture Competition 2000

$500 funding from the Trust through the Columbia Kootenay Cultural Alliance

Cranbrook Snow Sculpture Competition 2000.

Cranbrook artists let their imaginations and creativity loose on Old Man Winter in February.

The annual Cranbrook and District Arts Council's (C&DAC) Snow Sculpture Competition brought together eight teams of artists who worked with 4'x4'x6' blocks of snow to create works of art.

"Many travelers from outside our area...remarked on how wonderful the event was and actually having the privilege of seeing the process done step by step," says Robert Kirk, member of the C&DAC Board of Directors.

Hundreds of local residents also enjoyed the activities and took part in the competition by voting for their favourite work of art.

"A continuous flow of spectators observed this art in progress and commended the artists for their creations during the two and a half day event," Kirk says.

This is the second year the C&DAC has hosted the event.

For more information about this project, contact the Cranbrook and District Arts Council at (250) 426-4223.

Returning for Crazy Jane (Touring Play)

$3,000 funding from the Trust through the Columbia Kootenay Cultural Alliance

Returning for Crazy Jane, a one-woman one-act multi-media play by Nelson artist Lynn Frederick, explores the life of a spirited woman living in the Slocan Valley in the 1890s. This was a time when Western Canada was undergoing a radical change, people walked 700 miles to "get where they were going," men killed each other for no more than a dollar, and an estimated half the female population in towns in the new frontier earned their living through prostitution.

Crazy Jane was no exception. She ran a brothel in a mining town called Oro, near Lemon Creek. As the story goes, she loved the forest and one day wandered up Nilsik Creek (now called Crazy Jane Creek) never to return. Mining claims were named in her honour, as well as a lake in Kokanee Creek Park.

"Crazy Jane may have left no mark, but she left her name and an intriguing tale that sparks the imagination and fuels my womanly instincts questioning how we survive in this world," says Frederick. "Her story, of one woman trying to make her way in the world, speaks to me of how we all try to survive in our own ways through a bit of luck and a lot of determination to find a taste of real freedom."

Crazy Jane stands for the struggle we all make in coming to terms with our right to express truth, to question beliefs that lock us into double binds of telling us that we're damned if we do and damned if we don't. Crazy Jane may have found her freedom by walking into the forest and never coming back.

Returning for Crazy Jane offers a glimpse of our history through a blend of dance, monologue and video collage.

Valemount Mural Pamela Cinnamon

$1,000 funding from the Trust through the Columbia Kootenay Cultural Alliance

The exterior wall of the Valemount Post Office is a little more "picturesque" thanks to a lot of hard work by local artists and funding from the Columbia Basin Trust.

Four Valemount area artists, Norene Carr, Lucille Mintz, Jane Shaw, and Pamela Cinnamon, combined their artistic skills to create a six-foot by 16-foot mural. The mural depicts Canoe Mountain, a local landmark and the northern most tip of the Monashee Range, and Kinbasket Lake, created in 1973 as a result of the construction of the Mica Dam near Revelstoke. The foreground depicts Valemount's famous blue-

Valemount Mural: "Kinbasket Lake and Canoe Mountain". L-R: Pamela Cinnamon, Lucille Mintz, Norene Carr, Jane Shaw.

berries, the location of which may or may not be revealed by locals.

"We are very grateful for this funding and the opportunity to create this work," says Cinnamon on behalf of the four artists involved. "We sincerely hope the community of Valemount will enjoy this depiction of their beautiful local scenery and that the project will be the beginning of more "art in public spaces."

The mural on the Valemount Post Office is visible from Highway 5, the major artery between Vancouver and Edmonton and a spot frequented daily by local residents.

In addition to funding from the Trust, the mural project received support from the Village of Valemount.

ARTS, CULTURE AND HERITAGE

STEERING COMMITTEE

ARTS, CULTURE AND HERITAGE SECTOR

The Cultural Alliance has an established steering committee, which works to determine cultural funding needs throughout the region and recommends cultural programs to the Trust. Once these programs are approved the Trust relies on the expertise of the CKCA committee to determine which projects will receive arts and culture funding.

THE COLUMBIA KOOTENAY CULTURAL ALLIANCE STEERING COMMITTEE:

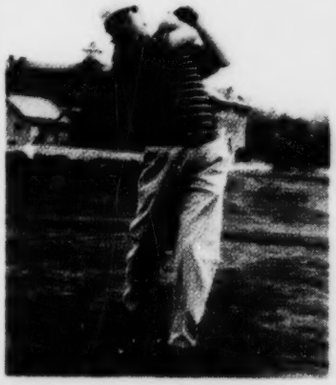
Tony Austin – Kimberley
Alice Hale – Invermere
Trevor Hall - New Denver
Jacquie Hamilton – Castlegar
Jan Inglis – Nelson
Marilyn Massey – Nakusp
Joan Ralston – Valemount
Raewyn Sinhuber – Cranbrook
Joe Warshawsky – Fernie
Al Major – Golden
Tobi Jenny – Valemount
Carol Palladino - Revelstoke

TRUST DIRECTOR

GREG DECK, Radium Hot Springs

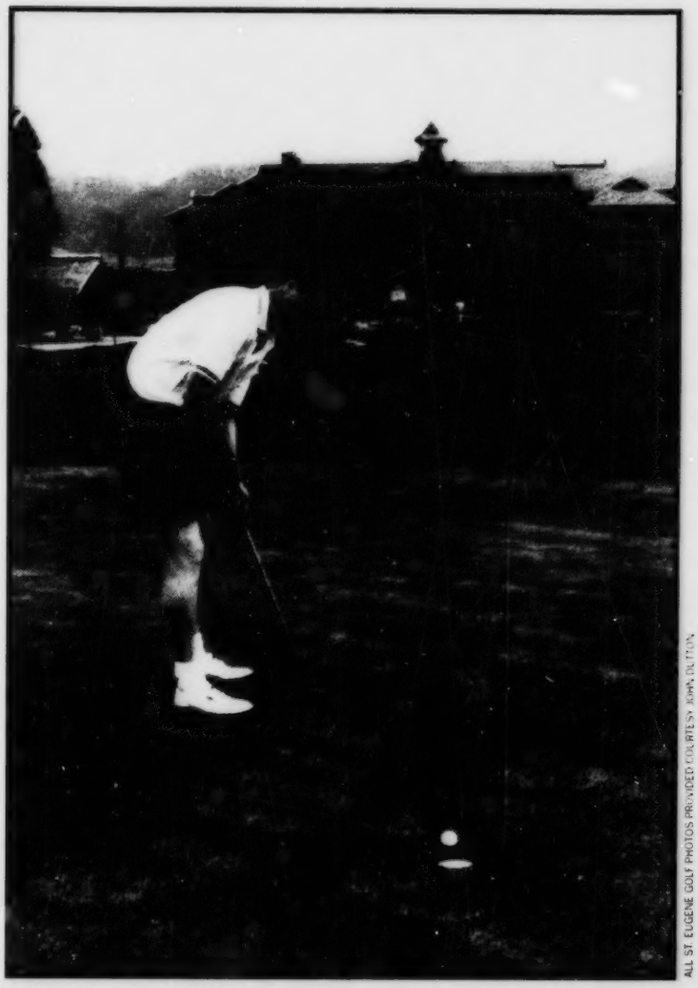
I chose to be part of the Trust to try to make some important decisions for the Basin closer to home. In return, I bring to the Board experience in both public and private endeavours. The Trust board has a mixture of skills and personal history that makes it as strong as any on which I have served.

ST. EUGENE MISSION HOTEL AND GOLF RESORT



Teeing off on the St. Eugene Mission Golf course, located on the St. Mary's Reserve near Cranbrook.

One of the Trust's goals is to invest capital in solid business opportunities in the region to create jobs and stimulate the economy while earning income from our investments. Money earned on investing our capital, funds the Trust's spending programs and means we can deliver additional social, environmental and economic benefits to the region.



ALL ST. EUGENE GOLF PHOTOS PROVIDED COURTESY JOHN DUTTON

A vision to turn the historical St. Eugene Mission into a destination tourist resort became a reality for the Ktunaxa Kinbasket Tribal Council this year with the opening of the St. Eugene Mission Golf Course.

The first golfers hit the links of the 7,007-yard, par 72, 18 hole championship golf course this spring. The course, set in dramatically changing landscape and scenery of the Basin, was designed by Les Furber, and constructed by Golf Design Services Ltd. which is renowned for projects in Europe, the Caribbean, and the Trickle Creek Golf Course in Kimberley.

During the past two years, Columbia Basin Trust staff have worked with the Tribal Council and other investors toward the completion of the golf course.

The Trust continues in this partnership with a future goal being the completion of the St. Eugene Mission Hotel and Golf Resort. The Mission building was constructed in 1910 and provides a spectacular focal point for the golf course. A two-storey barn built in 1913 has been refurbished to house golf operations and tournament facilities. The Trust has committed to invest up to $6 million in the St. Eugene Mission Hotel and Golf Resort.

The St. Eugene Mission Resort will also include a casino. The Trust is not involved in this component of the project.

Find out more about the St. Eugene Mission Golf Resort by visiting **www.golfsteugene.com**

TRUST DIRECTOR

ANNE EDWARDS, Moyie

The Columbia Basin Trust has made a difference to the land, the water, the social fabric, even in its short time of existence. As we look to the expansion of the Trust's resources, my hope is that every Basin resident continues to feel part of the action and contributes to our pool of ideas.

St. Eugene sand trap. The St. Eugene Mission Hotel and Golf Resort receives its name from the St. Eugene Mission, which was founded in 1873.

$200 Million KICKING HORSE MOUNTAIN RESORT

Trust investment $5 million

The Trust has committed to provide $5 million of the $28 million in financing required for the first phase of the resort's development.

Development of the Kicking Horse Mountain Resort took entrepreneurial vision, community spirit and volunteer energy, and the experience of international investors who were willing to share risk and opportunity with the community and the Trust.

Nedam International to seriously examine the opportunity for potential investment. Ballast Nedam required as a condition of their involvement, the participation of a local investor in the project. The Trust proved to be that local investor. Grouse Mountain Resort, the third investor, provides their expertise as a recognized mountain resort operator.

THE VISION

Kicking Horse is North America's newest mountain resort – the first entirely new resort to be built in Canada in the past 25 years. An eight-passenger gondola to the top of the mountain, a mountain top restaurant and a new day lodge will open in the winter of 2000. Three ski-in/ski-out, golf-in/golf-out resort hotels, Glacier Lodge, Big Bear Lodge and Columbine Inn are scheduled for completion in the fall of 2001.

There's great adventure for everyone, at every skill level from beginner to extremist. Kicking Horse will be all about "playing together" and memorable days spent in the mountains with family and friends.

Renowned for blue skies, sunny days and temperate climate, Kicking Horse when complete will encompass 1,619 hectares of breathtakingly beautiful terrain, as well as a vast pristine back country.

THE SKIING

Kicking Horse already offers some of the finest skiing and snowboarding in the BC Rockies and, indeed, in the world. The areas 1,250 metres of uninterrupted vertical, untracked powder, enormous bowls, steeps, deeps and outstanding glade skiing have been referred to as "one of the best-kept secrets in the North American Rockies."

SUMMER ACTIVITIES

In addition to winter sports Kicking Horse provides direct access to world-class heli-hiking, parasailing, hang-gliding, whitewater kayaking and rafting, sports fishing, climbing, and golf.

"We acknowledge that this project has also been made possible through the volunteer energy and spirit of the people of Golden, who initiated the original ski hill operation on a small scale, and wholeheartedly supported its expansion," says William Wallace, Trust Chief Investment Officer.

93.9 percent of voters approved the sale of the community-owned Whitetooth Ski Area to Kicking Horse Mountain Resort.

Work on the development of the four-season destination resort began with the vision of Oberto Oberti who saw the potential of the Whitetooth ski area and encouraged Ballast

KICKING HORSE MOUNTAIN RESORT

QUICK FACTS:

- $200 million investment over 10 years
- 100 hectare resort
- 14 km from Golden
- Construction began fall 1999
- Project development over 7 to 10 years
- Gondola, teahouse and base station opening scheduled for fall 2000
- Powder snow
- Vertical drop of more than 4,100 feet (1,250 metres)
- Gondola will rise from the ski area base to an elevation of 8,000 ft (2,438 metres) at the summit of Dogtooth mountain
- 300-450 permanent jobs

Kicking Horse Mountain Resort.

TRUST DIRECTOR

RICK HARDIE, Fruitvale

I enjoy being part of an organization that is doing something positive for the Basin residents by learning from the past, and helping to build a Basin culture for the future. As a locally elected official, I bring to the table a sense of what is pertinent to the residents and a forum from which to discuss these issues.

LIVING LANDSCAPES

Find out more about Living Landscapes at

www.livingbasin.com

PROGRAM:

Living Landscapes is a $360,000 partnership between the Columbia Basin Trust and the Royal BC Museum that led to the creation of 31 research and public education projects throughout the Columbia Basin region.

The three goals of all Living Landscapes programs are:

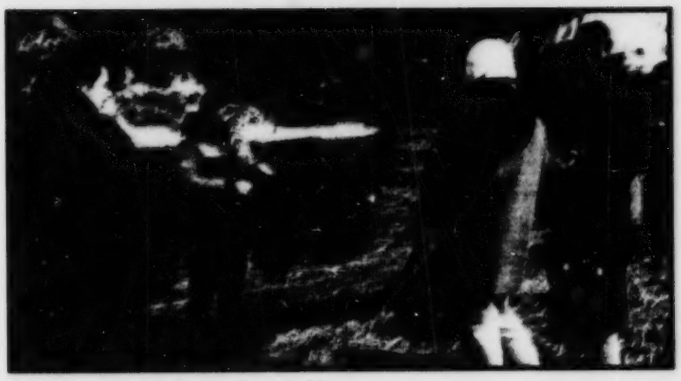
to increase our understanding of the province through research in the regions,

to create an electronic information link through Living Landscapes World Wide Web sites,

to engage people in the discovery of their cultural and natural heritage through special events, exhibits and other educational programs.

BJ Stevens and Nicole Shovar excavating at the Salmon Beds.

SOME PROJECT HIGHLIGHTS



Rod Heitzmann explaining Salmon Bed history.

Archaeological Investigations at the Salmon Beds near Invermere

Trust and RBCM Funding Allocated: $9,650

For more than 1000 years, a site along the Columbia River near Invermere has been an important fishing station for First Nations and the eventual influx of fur traders.

Rod Heitzmann, an archaeologist with Parks Canada's Western Canada Service Centre in Calgary, has been investigating the human ecology of Kootenay National Park for several years. Two years ago, funding was obtained from the Living Landscape Program and Parks Canada to assess an archaeological site being eroded by the Columbia River.

"The Salmon Beds Archaeological Site was an important campsite and food processing area occupied repeatedly over the last 1000 years," says Heitzmann of the site, which is situated just north of the outlet from Windermere Lake.

The Salmon Beds site is one of a very few excavated sites in the Upper Columbia Basin and provides a view of a segment of life in the time just before the arrival of white settlement. The Ktunaxa and Kinbasket First Nations came to the Salmon Beds in the fall to catch the last of the Chinook salmon runs.

"They probably constructed a weir to funnel the fish into a containment area where they could be easily speared," says Heitzmann. "Part of the group may have remained in the Upper Columbia trench hunting deer, elk, bear and bison into the winter when snows at upper elevations would have pushed the ungulate populations into the valley bottom."

Animal bones provided an important record of the subsistence base of the Late Prehistoric inhabitants. Species identified were Chinook salmon, Burbot, sucker, bison, White-tailed deer, elk, black bear, beaver, and dog. Bone tools recovered include a bone flesher, an antler wedge, an elk antler tine, and an awl made of a bear fibula. A large amount of fire broken rock indicates processing of food resources was a major activity at the site.

These excavations, which investigate the inter-relationship of humans and the environment in the Columbia River Basin, have contributed to a better understanding of First Nations' use of the Upper Columbia region in the last millennium.

A complete report on the excavations can be found at the website: **www.livingbasin.org/salmonbeds**

B.C. Lake and River Steamer Days: The Story of the People Who Worked on the Columbia Basin Lake and River Systems

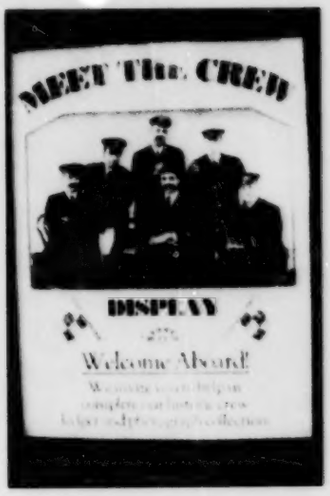
Trust and RBCM Funding Allocated: $5,000

As the Columbia Basin region developed at the turn-of-the-century, steam-powered sternwheelers and tugs served as vital water links in the railway network that made development of the region possible. The heyday of the sternwheeler steamer in Canada is now passed. Although the ships have disappeared, B.C. Lake and River Steamer Days is an effort to tell the stories of the men and women who built, worked and rode on the steamers of the Columbia Basin's lakes and rivers. They were the officers, crew, shipyard and shore workers for the CPR's BC Lake and River Service, Great Northern Railway and other transportation companies during the years when sternwheeler steamers and steam tugs flourished in the Columbia Basin.

As the staff at the SS Moyie National Historic Site put together names and biographies of past crewmembers of the BC Lake and River Service, they were struck with the number of recorded heroic acts. Crewmembers saved passengers, they saved each other, they even saved baby pigs. One of these stories was about Captain David George Kurtz of the steam tug SS Procter.

At 23 years of age, Kurtz became Captain of the three-man crew of the Procter, and in September of 1900, he showed his mettle by performing one of the most spectacular life-saving feats in the history of Kootenay Lake shipping. En route from Procter to Kootenay Landing, with a 15-railcar barge lashed to port, the SS Procter encountered heavy weather off Rhinocerous Point. Captain Kurtz and the deckhand, James Steers, proceeded to unleash the barge and play out the cable so that the barge could be shifted and towed astern. The cable flipped, propelling a stunned Steers into the rough water. In a matter of moments, Captain Kurtz grabbed a rope, plunged into the icy water and secured the drowning Steers to the tow cable. The engineer on the Procter, now running a one man operation, dared not reduce steam on the tug lest the tow cable slacken and drag Steers below the surface of the water. Captain Kurtz began to inch his way painfully along the taut cable, fighting the cold and exhaustion. Fortunately, before he lost his grip, the sternwheeler Moyie spotted the troubled crew. The men were rescued and the Moyie hurried on her way.

In 1903, Captain Kurtz retired from CPR service and bought out Billy Wilson's interest in the Nelson Transfer Company. He pursued a profitable business career in partnership with George Ferguson. Boating now became a leisure pas-



time for him. On July 17, 1920, a scorching hot day, Captain Kurtz took his 12-year-old son Donald and a neighbour, H. D. Kennedy, by boat down the Kootenay River to fish near the swift water at Taghum. The boat was sucked into a whirlpool and overturned. Mr. Kennedy managed to swim ashore, but Captain Kurtz drowned in a futile effort to save his son. He was 43 years old. The body of D.G. Kurtz was recovered the following day, but his son's was never recovered.

Many other stories came to light as well that demonstrated the heroics, sense of humour or compassion of these pioneers who were instrumental in opening the isolated interior of BC to settlement. Currently over 450 names, many with biographies, are available on the database.

continued on next page

Nikkei Internment Memorial Centre Study Guide

Trust and RBCM Funding Allocated: $8,875

In 1942, about 22,000 Nikkei (people of Japanese descent) were stripped of their civil rights, labelled "enemy aliens" and forced from their coastal BC homes.

The federal government ordered men to road camps, while families were relocated to Interior BC "relocation" camps or sugar beet farms in Alberta, Manitoba and Ontario.

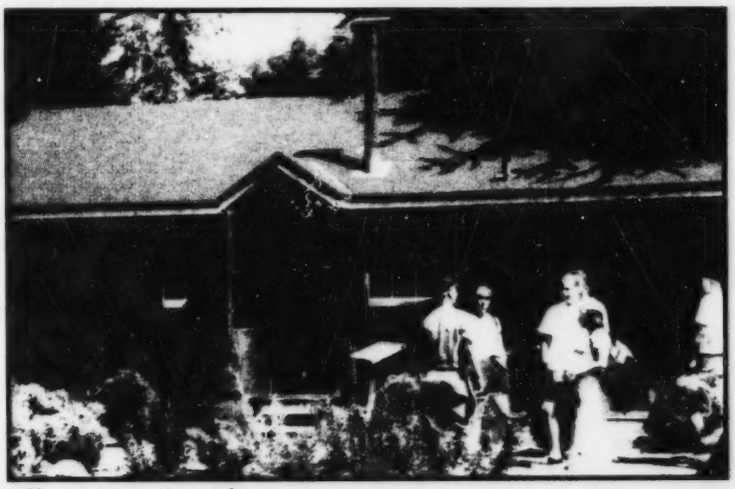
The community of New Denver was one of the relocation areas. Today, the Nikkei Internment Memorial Centre Museum in New Denver chronicles this episode of Canadian history. The centre was developed by the Kyowakai Society seniors in an effort to share not only the precarious position of human rights, but also the commitment of a people to find a way to transform the impact of the violation of those rights into a legacy of participation and contribution.

Last year, the society produced a study guide through the Living Landscapes Program, which is sponsored by the Columbia Basin Trust and Royal BC Museum. A Path of Leaves assists educators in preparing for annual "school tours" to the centre, and in incorporating the Japanese Canadian internment into their curriculum.

A Path of Leaves traces the personal memories and events experienced by the senior Japanese Canadians living in the New Denver area. It also provides the opportunity for exploration into national attitudes towards Canadian immigration, cultural diversity and communities of colour.

For more information about the Nikkei Internment Memorial Centre and the Kyowakai Society write to Box 273, New Denver, BC V0G 1S0 or call (250) 358-7288. You can also visit the Living Landscapes website at **www.livingbasin.com**

LIVING LANDSCAPES



Nikkei Internment Memorial Centre

Brilliant: A New Place for a Way of Life

Trust and RBCM Funding Allocated: $23,775
Part of the Living Landscapes' Books of the Columbia Basin

Follow the journey of a Doukhobor community from Saskatchewan to the Kootenays through the eyes of eight-year-old Petya Koochin. Brilliant: A New Place for a Way of Life is a children's historical novel depicting life in a communal Doukhobor village in 1914 written by authors Ernie Verigin and Natalie Lucas.

"We tried to create a book that could be used by a wide range of children," says Lucas. "Younger children are drawn to the pictures, where their learning begins, and the older children can add more to their understanding by reading the story. We tried to create experiences all children can relate to in their own lives and all parents can acquire a greater appreciation for our world's diversity and commonality."

Although the main characters in the story are fictional, their experiences are authentic. Members of the authors' families shared many of the experiences in the book.

"Going through the process of creating this book taught me a whole lot about myself as a person and about all our families' history," adds Lucas. "I truly enjoyed the whole experience."

The Doukhobors originated in Russia over 300 years ago. After enduring many years of persecution for their pacifist beliefs, approximately 7,500 Doukhobors immigrated to Canada and settled in Saskatchewan in 1899. During the first few years on the prairies, the Doukhobors constructed 61 villages. However, in 1906 the Canadian government required each Doukhobor family to sign for its own 160 acres and swear allegiance to the British Crown or their land would be confiscated. Adhering to their basic principles of not swearing oaths to any state and rejecting the concept of private land ownership, the majority of Doukhobors moved to BC. Between 1908 and 1915 approximately 6,000 Doukhobors relocated to the Kootenay and Boundary regions of southeastern BC.

It is here the authors of Brilliant: A New Place for a Way of Life begin the story of Petya Koochin in his new Kootenay home.

Brilliant: A New Place for a Way of Life is part of the Living Landscapes' Books of the Columbia Basin which can be found on the Living Landscapes web site. The site includes a list of books, with a short note on the contents and information on how to find a book. The list is indexed by subject, author, title or ISBN number. Books of the Columbia Basin is only a beginning. Basin authors are invited to add their book to the growing list on-line at **www.livingbasin.com**

Memories of Japanese Internment

The following is a quote by Mrs. Pauli Inose in *A Path of Leaves*:

"I suppose it was beautiful here, in New Denver, when we first arrived but we were so busy trying to figure out what we were going to do next...we just couldn't see it. There were so many and we were strangers...and everything was happening to us so fast. We didn't know from one day to the next. It would be good if we could somehow let children know how important freedom is...and how fast it can be taken away. It can happen that quickly. That's the way it was for us. It happened so fast."

continued from previous page

This project is sponsored by the Columbia Basin Trust through the Living Landscapes Program and BC Heritage Trust in association with the Royal British Columbia Museum and by the Kootenay Lake Historical Society, operators of the SS Moyie National Historic Site. It is linked to the Crowsnest Pass Railway and the Steamer Route website sponsored by the Communities Connect Program and developed by the Canadian Museum of Rail Travel at Cranbrook. The BC Heritage Trust has provided financial assistance to this project to support conservation of our heritage resources, gain further knowledge and increase public understanding of the complete history of British Columbia. Contact us at (250) 353-2525 or E-mail at ssmoyie@klhs.bc.ca

The Columbia Basin

COLUMBIA BASIN TRUST
COLUMBIA POWER
Northwest Power Planning Council

HISTORY AND WATER MANAGEMENT GOALS

Three decades ago, water started rising behind the Keenleyside, Duncan, and Mica dams in Canada, and the Libby dam in the United States. Centuries of history was destroyed, along with the homes of 2,300 people living behind the dams when the rising waters covered the land.

The result was the creation of the Koocanusa, Duncan, Arrow Lakes and Kinbasket Reservoirs - part of the Columbia River Treaty, signed in 1964 between Canada and the United States.

The dams, which created the reservoirs, would help control flooding during spring freshets, and the flowing waters would fuel the turbines to generate power for a huge hydroelectric system.

Some of the power would be used locally, but most of the electricity was routed to major urban centres outside the region, creating revenue for the Province.

Before the Columbia River Treaty was ratified, there had been a lack of consultation with the residents who were to be displaced, even though they were the ones who stood to lose the most from the project. Landowners faced the loss of sustainable resources and their surrounding environment, which resulted in lost economic opportunities for hundreds of families.

In the early 1990s, the people of the Basin came together to press the Province for recognition of this injustice. Local governments and tribal councils in the Basin coordinated their efforts and formed the Columbia River Treaty Committee, which first met in 1992. The Committee, in partnership with regional MLAs, negotiated with the Province.

In 1995, those negotiations led to the creation of the Columbia Basin Trust, and the allocation of funds representing a fair share of the downstream benefits earned under the Treaty.

The Trust, by way of a board of directors, who are all Basin residents, manages the region's share of downstream benefits from the Columbia River Treaty to bring social, economic and environmental benefits to the region most affected by dam construction.

The Waldo Church, built in 1914, was saved from the flooding of the Libby Reservoir at Koocanusa in 1972.

For a more detailed history of the Columbia Basin, the creation of the reservoirs, and the effects of dam construction on communities in the Basin, a video entitled Columbia Treaty History is available free of charge. Call 1-800-505-8998 to receive a video.

You can also get more information about the Columbia River Treaty and the Trust on-line at www.cbt.org

1992-95	**The people of the Basin supported by regional government formed the Columbia River Treaty Committee to work together with the Province to create the Trust.**
July 1995	**Columbia Basin Trust Act receives unanimous support from all political parties in the British Columbia legislature. The Trust is governed by a Board made up of Basin residents.**
May 1996	**Columbia Basin Trust office established in Nakusp, one of the communities directly affected by Treaty dam construction.**
July 1997	**The Columbia Basin Management Plan required by the Act, and created in consultation with Basin residents is adopted by the Board of Directors.**
November 1997	**Investment and Spending Programs are created to deliver benefits to Basin residents according to the Plan.**

TRUST DIRECTOR

MIKE KARTASHEFF, Fort Steele

Serving on the Board of Directors of this unique organization is an exciting challenge. It gives me an excellent opportunity to use my many years of background experience in Finance and Administration to complement the skills and expertise of other directors in Basin-wide decision making.

Water Management

COLUMBIA BASIN TRUST WATER MANAGEMENT GOAL

- To help ensure that the management of water issues related to the Columbia River Treaty takes account of the region's interest in a range of values

WATER MANAGEMENT OBJECTIVES:

- Be an advocate and play a leadership role in decisions about regional and trans-boundary water management. Work to improve water reservoir and dam management practices which will optimize a wide range of benefits, including fisheries, recreation and aesthetics.
- Advocate for resolution on behalf of those Basin residents who were affected originally by the Columbia River Treaty and who still have justifiable compensation claims as a result of the Treaty, without assuming responsibility for paying the claims.
- Advocate for resolution of water management issues which have not been satisfactorily addressed by conditions of existing water licenses. This should include debris management and public access to reservoirs and other waterways.
- Establish a process for receiving and commenting on significant applications made under section 10 of the Water Act. Help ensure that the Comptroller of Water Rights and the Regional Manager give adequate consideration to the Columbia Basin Management Plan.
- Prepare the Trust to participate in a review of the Columbia River Treaty when opportunity arises in 2014.

(Ref. Columbia Basin Management Plan Goal 6, Page 11)

ENTERPRISE FACILITATION

STEERING COMMITTEE

ECONOMIC SECTOR (1999/2000)

Mike Bowick (Fernie)

Don Boyle (Cranbrook)

Rob Gay (Cranbrook)

Paul Hambruch (Golden)

Bruce Hardy (Castlegar)

Lee Malleau (Golden)

Rosemary Nicholas (Cranbrook)

Lloyd Sharpe (Elko)

Maureen Weddell (Revelstoke)

Staff Facilitators:

Patty Bossort, Spending Program Co-ordinator

Dave Strachan, Manager Lending Programs and Business Development

TRUST DIRECTOR

SANDY KORMAN, Castlegar

Being a Trust Director gives me an exciting and challenging opportunity to be involved with decisions that will help strengthen our communities for years to come. I have an interest and background in education, the arts and provincial politics as well as a strong commitment to my regional community. I am honoured to participate and will do my best to listen and assist the people of the Basin.

PROGRAM

Turning passions into businesses

The Columbia Basin Trust, the Provincial Government, and other funding partners have teamed up to help entrepreneurs in Basin communities turn good business ideas into viable economic opportunities. The entrepreneurs may be just at the vision stage or their business may already exist. The businesses assisted by Enterprise Facilitation range in size from a one person, at-home business to a million-dollar expansion or diversification. The Trust has committed $200,000 over a two-year period to the Enterprise Facilitation Pilot Program.

Enterprise Facilitation starts at the community level, and uses the skills, resources, and creativity that already exist in communities as a base for enhanced economic diversification. The program was first presented at the 1998 Premier's Summit on Economic Opportunity for the Kootenays, which looked at ways to develop economic strategies that would address local community needs and priorities.

Enterprise Facilitation, created by Dr. Ernesto Sirolli, is a method of strengthening and diversifying the economic base of a community by fostering an active, grassroots partnership with entrepreneurs, the facilitator and a volunteer board. Enterprise Facilitation increases local vitality by empowering entrepreneurs and enhancing their capacity to generate new products and services, expand existing business, increase income, create jobs, and develop strong multi-party, cross-sector community partnerships.

Dr. Sirolli's Enterprise Facilitation model involves a voluntary board of community residents to help stimulate economic development. The board provides referrals and contacts with local resources to a facilitator, who then connects people with good business ideas to these resources in their community.

The Trust's role is to provide funding assistance to sustain this model during its two-year pilot period.

During the first year of the program, community members throughout the Basin attended a five-day Enterprise Facilitation Training Course to learn the philosophy and practices involved in this bottom-up economic development method. The training course concentrated on management and team building, and development techniques to establish and maintain successful local enterprise development programs. So far five voluntary Boards of Directors and facilitators are in place in the Basin in the following areas: Revelstoke; Nelson, Salmo and Kaslo; Upper Columbia Valley (Canal Flats to Spillimacheen); Creston and Kootenay Region Metis Association.

PROJECT HIGHLIGHT

Enterprise Facilitation at work in Invermere

Crisanna MacLeod has a passion for making other people's dreams a reality. But it wasn't until MacLeod met Columbia Valley Enterprise Facilitator Doug Gresham that she was able to turn her passion into a dream of her own – a business of creating personalized works of art called Gathered Visions.

"Doug saw the work I was passionate about because he listened, really listened to me. He took the time to know me and helped me see something I had been entirely missing," says MacLeod, who also sits on the Columbia Valley Enterprise Facilitation Board of Directors. "The process of Enterprise Facilitation guided me to recognize and believe in my creative ability. To see that my art, these Gathered Visions, are another way, another form of working with people. With Doug's coaching, with a team to assist me, with the Board as a Resource, I am now learning how to make this a successful business, doing what I love."

"Without the funders, I could not have afforded to have this calibre of business coaching and although I had the creative talent, it was the Sirolli model that defined it as a viable business with help in marketing and financial management. What Enterprise Facilitation did for me was give me hope and a practical way to do what I love, working with people."

Crisanna MacLeod

Crisanna MacLeod with a Gathered Vision.

Gresham says some of his clients of the Enterprise Facilitation Program simply have a business idea they are passionate about. But the majority of clients are in established businesses, which are facing financial troubles or have plans for expansion. In all cases, the clients are usually lacking a component, such as financial management expertise or marketing skills, to help develop their idea or increase their business' long-term viability.

"We offer a partnership," adds Gresham. "We assist by helping to identify the client's needs and matching those needs to a mentor in the business community that can help that person's business idea."

It was this partnership that catapulted MacLeod's passion into her full-time business.

"I'm being commissioned to do personal Gathered Visions – from tiny earrings to an eight-foot piece for a log Chalet, for Valentine's and 65th birthday presents, for inspiration for an artist in New South Wales. I'm invited to be in an Emerging Artists show. I've had a private show, my work is in a gallery and yet, five months ago, I didn't even know I was an artist. I'm having the time of my life," says MacLeod. "Without the funders, I could not have afforded to have this caliber of business coaching and although I had the creative talent, it was the Sirolli model that defined it as a viable business with help in marketing and financial management. What Enterprise Facilitation did for me was give me hope and a practical way to do what I love, working with people."

Enterprise Facilitation put MacLeod in touch with people in her community that have the skills she needed so she could turn her own dream into a reality.

"Enterprise Facilitation provides a team. There is someone out there who loves to market and then there's someone else who loves to develop a financial plan," says MacLeod. "With Enterprise Facilitation we're dream brokers. The process supports people in having their dreams come true and nobody does it for me. I'm learning to do it myself."

PROGRAM

Supporting Business Development in the Basin

The Columbia Basin Trust is increasing the ability of credit unions to support commercial enterprise in the region through the development of a $10 million Loan Syndication Program.

Through the Loan Syndication Program, partner credit unions share commercial loan opportunities and associated risks and returns with the Trust.

"The Credit Union's ability to serve Kootenay communities has been significantly enhanced through the partnership with the Columbia Basin Trust," says Doug Stoddart, General Manager of the Nelson and District Credit Union.

The Trust and the credit unions earn market rates of return on the investments. The Trust's participation in any one syndicated loan is up to a maximum of 50 per cent of the total amount loaned. The Trust has chosen to work with partners like the credit unions who already have the knowledge, experience, capital base and infrastructure to help make Trust capital available to businesses in the Basin.

To date the Trust has provided $2,250,000 to four syndications, with additional opportunities totalling another $3 million currently under review. Loan syndication enables the Trust to support credit unions in all Basin communities and bring in additional capital from outside the region. This program also promotes local initiative and regional decision-making in the area of commercial lending basin-wide.

Contact these credit unions for more information about the Loan Syndication Program:

Kootenay Savings Credit Union – (250) 368-5271

Nelson and District Credit Union – (250) 352-7207

Revelstoke Credit Union – (250) 837-6291

Or contact Dave Strachan, Manager Lending Programs & Business Development for the Columbia Basin Trust at 1-800-505-8998.

PROJECT HIGHLIGHT

Credit Union Partnership Benefits New Four-star Resort

One of the first companies to benefit from the Loan Syndication Program is the new Glacier House Resort in Revelstoke.

Basin Trust made this project possible," says owner Alex Szirmai. "The type of funding provided allowed us to go full-scale from the start, rather than build over a number of years. In turn, we were able to use a local contractor and employ local people for the building and development stage, as well as bringing on permanent staff much sooner."

"Some viable commercial enterprises are seeking more funding than a single credit union can comfortably provide," says Jay Strong, General Manager of the Revelstoke Credit Union. "By working together we can provide these businesses with the capital they need, and strengthen local economies."

Glacier House Resort consists of a heritage main lodge with 16 fireplace rooms, an indoor pool, sauna, Jacuzzis, a restaurant and sports pub. The Resort caters to international clientele who want to ski, snowmobile, snow-shoe, cross-country ski, heli-ski, or simply relax in the great outdoors.

Glacier House Resort is modelled after Glacier House built by the Canadian Pacific Railroad in 1886 located in the Selkirk Mountains on Rogers Pass.

For more information about Glacier House Resort go to **www.glacier-house.com** on the internet.

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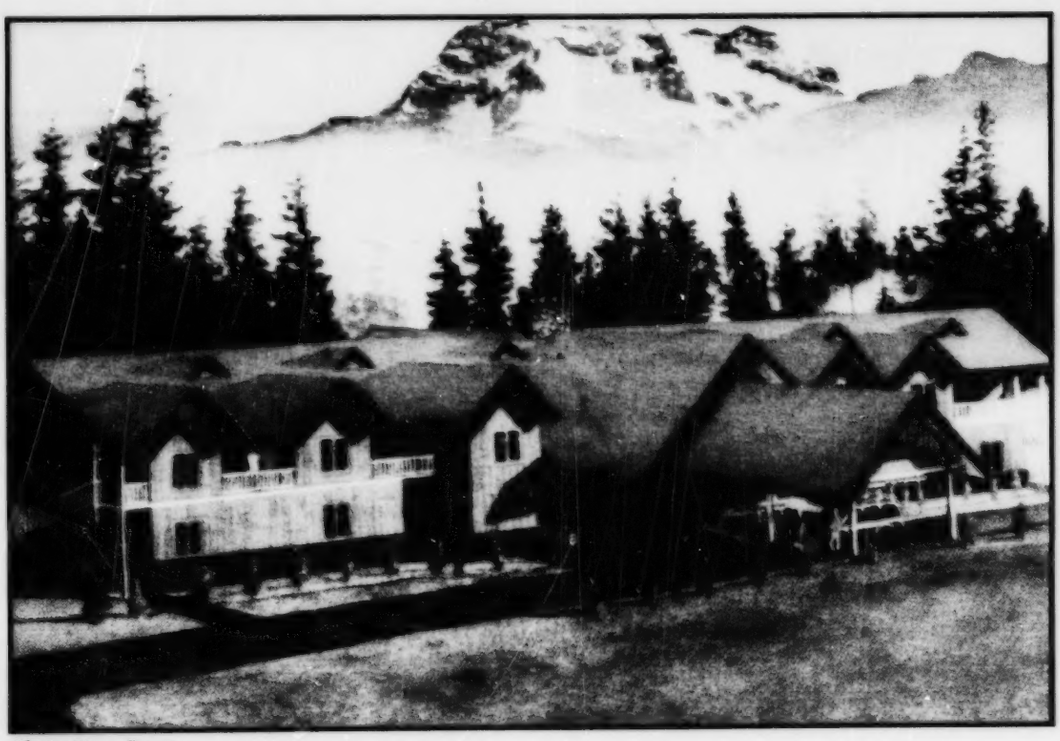


Glacier House Resort

CREDIT UNION PARTNERSHIP LOAN SYNDICATION PROGRAM

TRUST DIRECTOR

BILL KRUISSELBRINK, Valemount

Having seen firsthand the price paid for the destruction of land and the loss of jobs caused by the flooding behind the dams, I see working with the Trust as an opportunity to mitigate these circumstances. It has been, and continues to be, a rewarding learning experience to work together to improve conditions for us all.

COMMUNITY FUTURES DEVELOPMENT CORPORATION PARTNERSHIP REGIONAL LENDING PROGRAM

Funds loaned through the Trust/Community Futures Regional Lending Program in 1999/2000
CFDC of SE Region - $500,000
CFDC Central Kootenay - $450,000
CFDC of Greater Trail - $770,00
CFDC of Revelstoke - $250,000
CFDC of Fraser Fort George - $250,000

All of the CFDC's encourage entrepreneurs to bring forward their business plans so they can determine how businesses may be able to benefit from the increased availability of capital that this program provides.
Contact your local CFDC office:
Central Kootenay (Nelson)
1-250-352-1933 or
1-800-661-1395
Greater Trail 1-250-364-2595
South East Region of BC (Cranbrook) 1-250-489-4356 or
1-800-661-2293
Fraser-Ft. George (Pr. George for Valemount area)
1-250-562-9622
Revelstoke 1-250-837-5345

TRUST DIRECTOR

RON OSZUST, Golden

The Trust has had a positive impact on each of our communities in the Basin and will continue to do so in the future. The Trust is an opportunity for Basin communities to address some of the issues that have arisen due to changes that have resulted from commitments made 30 years ago. The Trust is an opportunity to Make a Difference in each of our communities.

PROGRAM

A dozen Basin businesses benefit from $2 million Trust investment program

During the past year, 12 Basin businesses have received an economic boost to the tune of $2 million through a small business lending program.

The program, which is delivered through five Community Futures Development Corporation (CFDC) offices in the region, and is funded through the Columbia Basin Trust's investment program, provides loans to viable businesses.

"The unique partnership between the Columbia Basin Trust and Community Futures has been a significant benefit to Basin residents by providing alternative financing to businesses throughout the Basin," says Paul Weist, General Manager of CFDC Central Kootenay. "This program has invested over $2 million in Basin businesses and has resulted in the creation and or maintenance of over 350 jobs."

In 1997, the Trust signed an initial agreement with the five CFDCs operating in the Basin to provide $2.5 million. As a result of the success of this regional lending pilot program, the Trust has now established an ongoing partnership with the CFDC's to make a total of $3.5 million available for loans to businesses operating in the region.

"Businesses benefiting from the program include auto repair, adventure and service tourism, manufacturing, and construction," says Dave Strachan, Trust Manager of Lending Programs and Business Development. "Since 1997, this program has helped nearly 25 businesses and created more than 350 jobs, which moves us toward the achievement of the economic development goals set out in the Columbia Basin Management Plan."

As the Trust's delivery partners, Community Futures Development Corporations provide expertise in evaluating business plans and assessing loan applications. The CFDC's also help businesses work most effectively in their community's economic environment.

PROJECT HIGHLIGHT

Caribou Grill Restaurant – a new tourism destination for Valemount

A new $1 million family restaurant has opened its doors in Valemount thanks in part to the Columbia Basin Trust's Regional Lending Program partnership with Community Futures.

The Caribou Grill, owned by Rudi and Patricia Thoni, is a gorgeous log and stone building situated in the core of the Village of Valemount. Elegant dining and panoramic views of the Canoe Mountains make it a welcome addition to Valemount's business community.

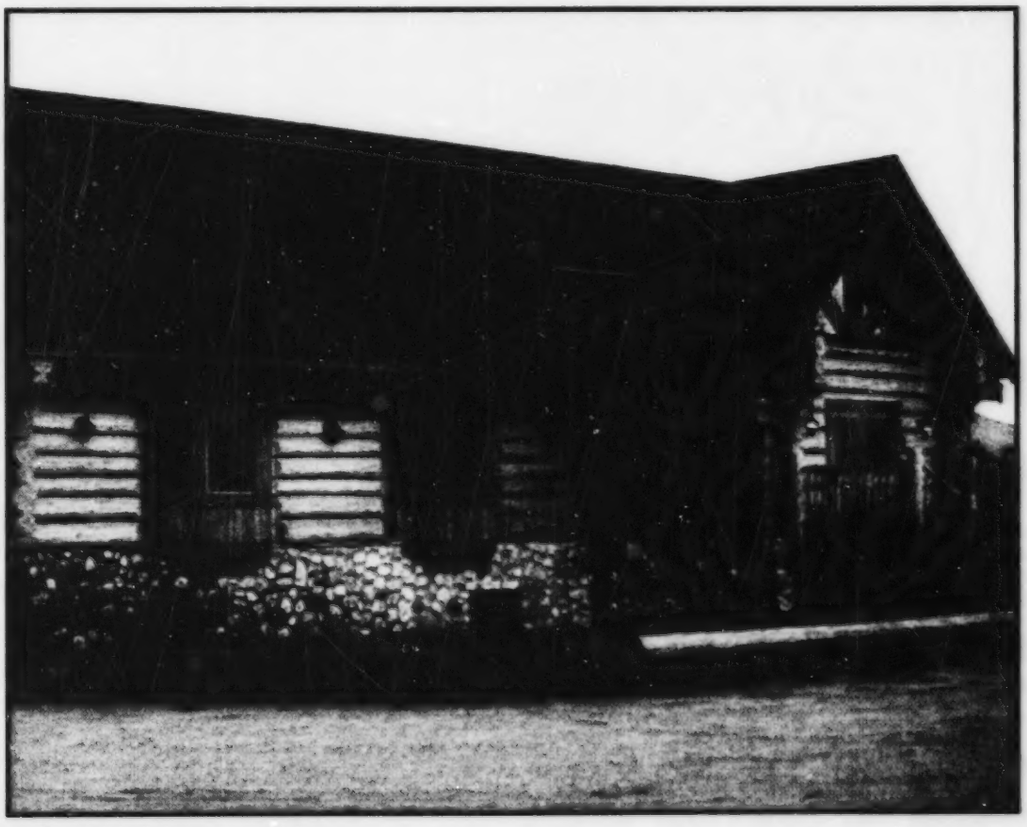
"The Caribou Grill is a top quality, new community service consistent with Valmount's community plan to be a tourist destination," says Don Zurowski, General Manager of the Community Futures Development Corporation for Fraser Fort George, which has been part of the Caribou Grill project since inception.

Rudi Thoni has 32 years of experience in the restaurant industry and chose Valemount for the site of the Caribou Grill after 28 years in Jasper.

According to Rudi, Community Futures has been instrumental in assisting the Caribou Grill with a business plan, project financing and has been supportive throughout the construction of the restaurant.

Since opening in May, the response from local residents and tourists has been excellent. The addition of the Caribou Grill to Valemount is expected to strengthen tourist visits and enhance retail opportunities in the community.

"Columbia Basin Trust and Community Future's Regional Lending Program and support has played a significant role in advancing Valemount towards its long-term tourism goals," adds Zurowski.



Caribou Grill in Valemount

PROGRAM

The Columbia Basin Trust invested $130,865 in basin projects through the Community Enterprise Program in 1999.

Communities of the Columbia Basin, and the people who live in them, are our future. The people of the Basin understand that economic diversification is one key to long-term prosperity for their communities, and they have many ideas which could be developed.

In 1999, the Columbia Basin Trust partnered with the Province to fund the $200,000 Community Enterprise program to respond to the community's interest in strengthening the economic health of the region.

The Community Enterprise program provides resource-based rural communities, facing economic transition and hardship, with seed funding to develop and implement locally driven, new and innovative business and community ventures.

The Community Enterprise program has three main components:

- Community and Co-operative Business Development provides matching contributions for community-based agencies that have some local resources but require added expertise and funding to help their community support the establishment of economic enterprises that create jobs, especially in the areas of the growing new economy.
- Community Capacity Building supports pilot projects that generate work and sustainable incomes for people from marginalized groups.
- Community Venture Capital is designed to encourage investment in small businesses by providing provincial investors with a 30 per cent refundable tax credit.

SOME PROJECT HIGHLIGHTS

MAKING A DIFFERENCE

A total of nine projects were funded by the Trust through the Community Enterprise Program. (Each project also received funding from the Province, and, in many cases, additional funding or in-kind support from the community).

Here's a closer look at three of these Community Enterprise projects:

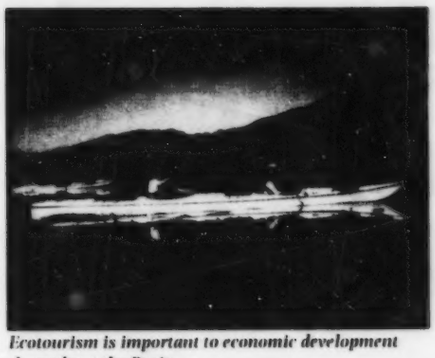
A New Tourism Venture

The community of Kaslo, with a population of 1,106 residents, has had a long history of dependency on mining and forestry. However, in recent years employment in these sectors has fallen to less than nine per cent of total jobs in Kaslo.

In an effort to diversify and support economic growth, the Kaslo Community Enterprise project will develop a business plan to shift its development focus to the fastest growing tourism sector in Canada – ecotourism.

"Creating opportunities in the ecotourism sector will support development in many local businesses and create a demand for more and better quality services, which in turn will offer more employment and business opportunities for the entire community," says Robert Mattes, Mayor of Kaslo.

Ecotourism has the potential to extend the tourism season and attract more visitors to the pristine, natural beauty of a community that has strong traditional ecological knowledge and a well documented cultural history. Its unique small town atmosphere, with easily accessible pristine wilderness, makes it particularly appropriate for developing ecotourism opportunities.



Ecotourism is important to economic development throughout the Basin.

Farming in the Slocan Valley.

Creating New Opportunities for a Growing Region

Since 1991, the population of the Slocan Valley has more than doubled. But employment hasn't matched the influx of people, resulting in higher than average unemployment in this region.

Similar to other Basin communities, the Slocan Valley is looking to diversify its economy after a long history of dependency on the resource sector.

The Slocan Valley Community Development Society is using its Community Enterprise Program funding to study the potential of creating a sustainable agriculture business centre, a shared-use food processing plant, a business resource centre, and an annual cultural and agricultural festival.

"Valley residents are looking for small, human scale development based on sound public planning leading to a diverse healthy and environmentally sustainable economy," says Karen Treulieb, Chair of the development society.

These projects have the potential to improve the quality of life for local residents, through increased social and economic opportunities.

Radium Hot Springs at a Crossroads

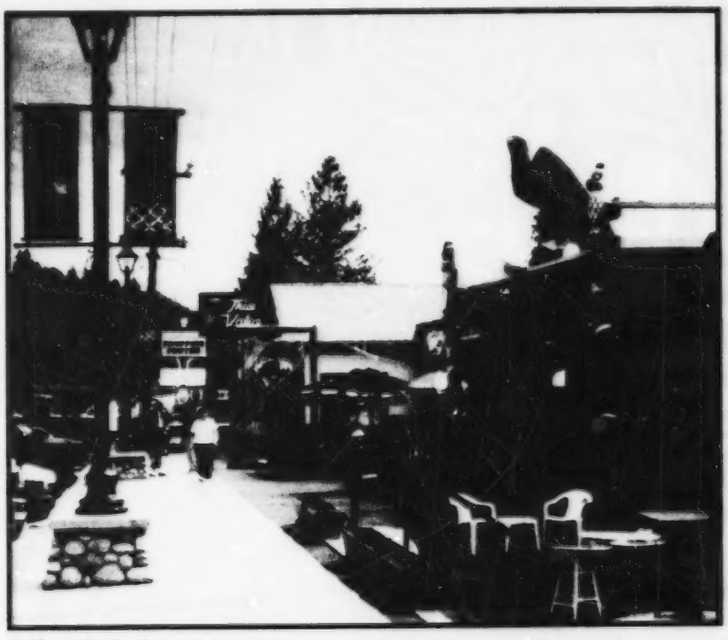
The village of Radium Hot Springs is at a crossroads. Tourism is growing in this small Basin community, but it doesn't have the services base to keep up with the demand.

The Village of Radium Hot Springs is working to change that by trying to attract retail business anchors and factory outlet investors. This will create new business opportunities and jobs for residents and attract new residents to help stabilize the community.

"As a small rural community dependent upon the tourism resource, a strong retail business base is an advantage," says Greg Deck, Mayor of Radium Hot Springs. "It serves to attract more residents, increases community investments, and attracts other businesses."

This in turn encourages visitors to stay longer and spend more money in the community. All of which results in a healthier community.

The establishment of strong year-round retail business is fundamental to Radium Hot Springs' plans for a productive and stable economic future.



Radium Hot Springs

NEW PRODUCT DEVELOPMENT

PROGRAM

Kootenay Product Development Fund now more accessible and flexible

- $500,000 repayable fund
- The Trust has contributed $250,000 to the fund, plus $63,750 for development and administration of the fund.
- The province through the Information, Science and Technology Agency contributed another $250,000 to the fund.

The Kootenay Product Development Fund (KPDF), delivered by the Kootenay Association for Science and Technology, is changing to better meet the needs of technology entrepreneurs in the Columbia Basin.

The changes mean more businesses will now be eligible to apply for and receive KPDF funding to help them develop their technology businesses in the region.

"Broadening the program eligibility, allowing more flexible repayment terms and a simplifying the application process for the program increases our ability to put money into the hands of entrepreneurs, while safeguarding the integrity of the fund in the long term" says Patty Bossort, Columbia Basin Trust Spending Program Coordinator. "Fund sponsors understand the value of new product development activity as a basis for future economic diversification and remain committed to the program."

Both the Columbia Basin Trust, and the provincial Information, Science and Technology Agency provide funds for the KPDF program. They agree that the changes make the program more relevant to local businesses and increases the number of eligible applicants.

The eligibility criteria are now redesigned to ensure the fund's focus is on helping technology businesses to expand and create new job growth.

The eligibility criteria are now redesigned to ensure the fund's focus is on helping technology businesses to expand and create new job growth. Under the new and improved criteria, applications can be made for funding for projects which may include: capital costs for research and development, patenting of intellectual property, marketing projects, operating costs associated with new product development.

The other significant difference is in the way in which the repayment terms are structured. Now details of repayment can be developed in a unique and mutually agreeable manner, meeting the needs of the fund without placing undue pressure on the funding recipient.

For further Information contact:
Claudia Trudeau, Kootenay Association for Science & Technology
1-250-362-7400

Columbia Basin Trust Web Site

Take your exploration of the Columbia Basin Trust one step further by visiting our web site at **www.cbt.org**

The information about the Columbia Basin Trust in this annual report is only a snap shot of the work of the Trust during the past year. To stay up-to-date on what the Trust is doing year-round become a "frequent visitor" of our site and watch the "Announcements" box on our home page for the latest program developments.

The information about the Columbia Basin Trust in this annual report is only a snap shot of the work of the Trust during the past year. To stay up-to-date on what the Trust is doing year-round become a "frequent visitor" of our site and watch the "Announcements" box on our home page for the latest program developments.

The Columbia Basin Trust officially launched its web site in 1998, expanding our opportunities to reach out and inform Basin residents about the Trust as it carries out the Columbia Basin Management Plan.

In addition to an overview of the Trust, including its history and Board of Directors, the site offers visitors a look at recently announced projects such as Youth Links, job opportunities, and news releases.

The web site also offers a more in-depth look at the Trust's spending and investment programs and highlights some of the projects being delivered through its partnerships with community organizations throughout the Columbia Basin.

In 1999, the Living Landscapes web site was launched in partnership with the Royal BC Museum at **www.livingbasin.com** This site, which is linked from the Columbia Basin Trust web site, offers visitors a unique look at life in the Columbia Basin.

The goals of the Living Landscapes Program and its web site are to increase our understanding of the Columbia Basin through research in the regions and to engage people in the discovery of their cultural and natural heritage through special events, exhibits and other educational programs.

Another unique aspect of the Trust's web site is the introduction of a Youth Links site. Columbia Basin Youth Links is a seven-week summer youth program for young people between the ages of 17 and 19 who reside in the Columbia Basin. It's an opportunity for young people to learn more about their region and its social, economic, and environmental issues and opportunities while contributing to the well being of Basin communities by working on community projects.

Starting July 10, you will be able to journey along with the Youth Links participants by reading their daily journals on this web site as they travel the Basin. Visit the Youth Links site at **www.cbt.com/youth/**

The Columbia Basin Trust is continually updating and adding information to its site to keep the people of the Basin informed about the Trust and the extensive work being done in the Basin to improve our social, environmental and economic well-being.

During the next year and a half the Trust will be developing a corporate database, which will enhance the web site's capabilities.

If you have any questions or comments about the web site please email them to cbt@cbt.org or call the Trust at 1-800-505-8998.

TRUST DIRECTOR

FRED PARKER, Castlegar

Fred has been a member of our Board of Directors since 1997.

PROGRAM

Trust Supports Safe and Affordable Housing in the Basin

Trust Funding $290,000

Trust funding has helped to provide 43 new affordable housing units over the past year. The program is in line with the Trust's mandate to bring social benefits to Basin residents.

The Trail Family and Individual Resources (FAIR) Society, which provides expertise in the development of housing projects, was chosen to administer the affordable housing program for the Trust.

Three projects were selected by FAIR for funding because they had strong community support and demonstrated long-term affordability. They also met criteria for the degree of housing need in their regions, the strength of the sponsoring organization, and the number of units produced relative to the financial support requested.

In addition to administering the affordable housing program, FAIR also oversaw a capacity building workshop in Fernie to obtain information on the needs of community housing groups and the ways the Trust might address these needs in the future.

SOME PROJECT HIGHLIGHTS

Abbott Gardens

Trust Funding $48,500

Dreams for a new home for people with special needs in the Cranbrook area became a reality when Abbott Gardens opened its doors in May 2000.

The 23-unit facility provides housing to youth who are vulnerable to homelessness, adults with mental, emotional, or physical challenges, and people with mental illness who need a programmed environment.

The $2.2 million project is jointly funded by the Canadian Mental Health Association for the East Kootenay (CMHA-EK), the provincial government, the Columbia Basin Trust and TransCanada Pipeline.

"Abbott Gardens is not just "a place to live" for its tenants, it is home," says Janice Bradshaw, CMHA-EK executive director. "Abbott Gardens is a place for new beginnings and a development everyone can be very proud of. It empowers people to help themselves - a key part of the facility's success."

The association is developing an independent living pilot project, which will examine access to employment programs, drug and alcohol programs, and assistance with learning the skills required for independent living.

Merle McKnight, President Abbeyfield House Society, St. Paul's Golden, Teresa Dodich, Abbeyfield's second oldest resident at age 90, and Archbishop David Crawley of the Diocese of Kootenay, St. Paul's Anglican Church cut the ribbon to officially open Abbeyfield House in Golden in June.

The Columbia Basin Trust provided $48,500 to Abbott Gardens to purchase furniture, build a storage garage, and fund support services.

Abbeyfield House

Trust Funding $67,000

Ten elderly Golden residents have a new place to call home with the completion of Abbeyfield House last year.

The $800,000 project sponsored by the Abbeyfield House Society, St. Paul's Golden is part of an international network of like housing developments that provide supportive housing for independent, low income, single seniors.

"This project ensures a few more seniors in our community have an affordable place to call home, said Merle McKnight, President. "Abbeyfield House offers a great social environment with a communal kitchen and prepared and shared meals."

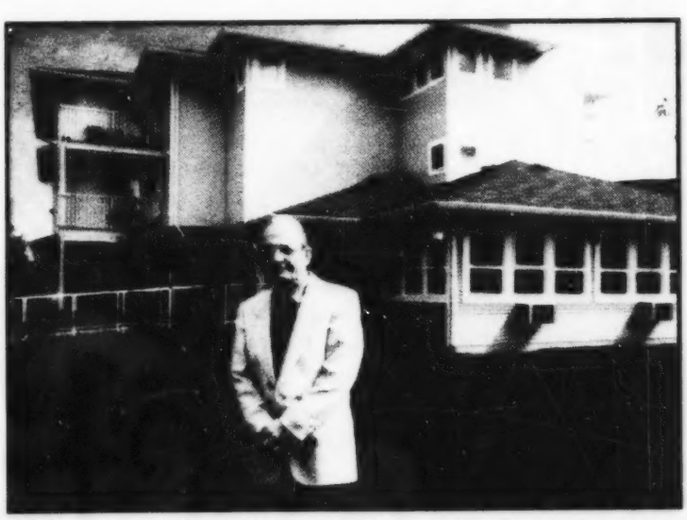
The Trust contributed $67,000 to the completion of Abbeyfield House. In addition, the project received substantial funding or donations from the St. Paul's Anglican Church, Columbia Valley Credit Union, Bill Banks, Real Estate Foundation, Evans Forest Products, EI Program, Interact, BC Housing, Rotary Club of Golden, and Bighorn Printing.

OTHER PROJECTS

The Arrowtarian Senior Citizens Society in Nakusp received $74,000 from the Trust for the purchase of a building site, which will enable expansion of the existing Arrowtarian Rotary Villa.

The Trust previously provided a $50,000 capital grant to the Slocan Valley Seniors Housing project.

For more information about the Affordable Housing Program visit these internet sites **www.cbt.org and www.bchousing.org**



Abbott Gardens named after Bud Abbott shown here at its official opening June 2000.

AFFORDABLE HOUSING

STEERING COMMITTEE

SOCIAL SECTOR

Connie Barlow, Golden

Andrew Earnshaw, Nelson

Peter Ellis, Nelson

Gordon Fletcher, Trail

Andrew Jarrett, Salmo

Gord Johnston, Cranbrook

Denice Louie, Creston

Pam MacDonald, Revelstoke

Gary Ockenden, Castlegar

Jean Terlesky, Kimberley

Lynne Turvey, Invermere

Mae Williams, Fernie

Mary Walters, Nelson

Staff Support: Agnes Koch, Manager Spending Program

TRUST DIRECTOR

LONI PARKER, Revelstoke

It is a great privilege to have been appointed to the board of the CBT. I have been provided with an exciting, unique opportunity to be part of shaping the future of the Columbia River Basin. As an elected representative and small business owner, I have an understanding of the land and the people of the Basin. We have the opportunity to be heard and to be a part of the decision making.

YOUTHLINKS

Hiking near the Wheeler Hut on Roger's Pass.

Starting July 10, you will be able to journey along with the Youth Links participants by reading their daily journals on the web site as they travel the Columbia Basin. Visit the Youth Links site at www.cbt.com/youth/

WHAT YOUTH HAD TO SAY

"Whenever we went on a tour it was very beneficial. We got to learn a lot about the communities. I think that a combination of projects and learning opportunities was a great way to go."

"The topic that I felt was the most important was the Sinixt tribe and its issues because the government declared them extinct and they are trying to fight that ruling."

"Not only did I learn more about specific issues, but also about the Basin as a whole and how different areas relate. We were given awesome opportunities to learn in ways that wouldn't normally be accessible to us or ways that we simply wouldn't have thought of."

"I would have to say that there are certainly lots of beautiful places to stay at in the Columbia Basin."

"I learned a lot on this trip. It was nice to have such an informative summer while having so much fun."

"I feel that my knowledge of environmental, economic and social issues in the Columbia Basin has improved a great deal. I have learned so much just by being with the group."

"It is the best learning experience, not only about your community, but for yourself. You also get to meet a lot of nice people too."

1999 PROGRAM

A dozen youth got the opportunity of a lifetime last summer to tour the Columbia Basin as part of the Youth Links Program.

Columbia Basin Youth Links was a new program offered in partnership with the Canadian Mental Health Association program for the East Kootenay. Two coordinators and 12 youth, aged 17-20 years, spent six weeks travelling throughout the Columbia Basin participating in experiential learning opportunities and work experience projects related to the issues of the Columbia Basin communities.

Participants travelled together as a group learning about their region and gaining an understanding of what links our various communities and what makes each of them unique. Taking a hands-on approach, a variety of educational activities are incorporated into the program to help participants learn about these issues.

The youth were able to donate their time to projects that left a lasting legacy in the communities they visited. Examples of some of the community projects and educational opportunities youth took part in last year are: Streetfest in Nelson, Revelstoke Railway Museum, B.C. Senior Games in Sparwood, Sinixt Nation in Vallican, a tour of five heritage sites between Kaslo and New Denver and a Youth Forum in Revelstoke.

A main goal of the Columbia Basin Youth Links Program is to help young people develop the skills necessary to participate more actively and take leadership roles in their own communities. The projects and learning opportunities presented to the participants helped develop group work skills and life skills through experiences and various workshops on topics such as consensus decision making, communication skills, conflict resolution, and group facilitation.

Sinixt Nations Camp (Vallican). Youthlinks group helps to build a teepee.

The program starts by bringing participants together for an orientation camp. It gives participants a chance to get to know each other and provides an overview of the issues and projects that will be covered in the program. At the end of the summer, participants return to their home communities where they make public presentations on their experiences.

2000 PROGRAM

This summer, Columbia Basin Youth Links is a seven-week program running from July 10 to August 25, 2000. The age range for participants has been changed to 17 – 19. It is being delivered by Earth Matters and the Salmo Watershed Streamkeepers' Society (SWSS) in cooperation with other partner community groups. Earth Matters is a community-based organization that involves youth and other community members in educational work on a variety of social justice and environmental projects. The Salmo Watershed Streamkeepers' Society is a stewardship group, which recognizes the importance of engaging youth in the development of a shared cultural perspective within the Basin.

Host communities for this year's program are currently being confirmed, but there will be one in the East Kootenays, one in the West Kootenays, and one in the Northern Basin. These communities will serve as bases for programming from which trips to many communities will be made.

In their travels throughout the Basin, groups will stay in a variety of lodgings, including campsites, host families, lodges/cabins, dormitories, or hostels.

A new feature has been added to this year's Youth Links Program. The public can follow along on the Youth Links journey by logging onto the Youth Links web site at **www.cbt.com/youth/** where participants will be posting daily accounts of their travels and experiences throughout the Basin.

To learn more about this year's Youth Links Program contact:

Youth Links Partnership
Box 778, Salmo, BC, V0G 1Z0
Fax (250) 357-2630
Email m_van_wijk@hotmail.com

Crystal, Megan and Mia pulling some knapweed, looks like hard work.

FAMILY LITERACY AND EARLY CHILDHOOD PROGRAMS

RESOURCES FOR FAMILY LITERACY PROGRAM

Trust Funding $180,000

The Resources for Family Literacy Program is intended to provide funds to learners to help them overcome difficulties that may be interfering with successful participation in existing Family Literacy Programs.

Much time and energy has been invested by a wide range of non-profit organizations and volunteers to establish Family Literacy Programs despite very limited access to program delivery funds. Most programs operate due to the dedication of trained community volunteers and part-time instructors or coordinators.

Family Literacy Programs have been developed as a result of research which indicates that when parents and children work together to improve their reading, writing, and math skills they are more highly motivated and more successful. Without these important basic skills children fail in school and adults have difficulty getting work, and adapting to changes in the workplace. Many families wanting and needing to take advantage of these programs are unable to because of barriers resulting from poverty and isolation.

PHOTO BY JENNIFER CLIFF MARKS

Jennifer Cliff-Marks and her son Cody.

Literacy is defined as the ability to understand and use printed information in daily activities at home, work and in the community to achieve one's goals and to develop one's knowledge and potential.

Family Literacy Programs are designed to work with children and parents together, to help them with their unique educational needs. It is important to help them succeed by maximizing the support available to overcome barriers to participation in literacy programs such as lack of transportation, access to child care, and the responsibilities and limitations in the home environment.

Literacy is defined as the ability to understand and use printed information in daily activities at home, work and in the community to achieve one's goals and to develop one's knowledge and potential.

The Canadian Mental Health Association of the East Kootenays will manage the Trust's Resources for the Family Literacy Program. Invitations to apply for project funding have been mailed to literacy organizations Basin-wide.

"We have chosen to pilot a non-competitive approach to project funding," said Patty Bossort, Trust Spending Program Coordinator. "Half the funding will be shared among all the existing Family Literacy Programs in the Basin that meet the application criteria. The remaining funds will be distributed based on the cost and difficulties to be addressed by each Family Literacy Program. The Resources Program will support collaboration among literacy groups by encouraging them to apply as partners."

To get more information about the program contact:
Don Ellison CMHA-EK Program Co-ordinator at 250-362-5533.
Or by e-mail:
highland@netidea.com

EARLY CHILDHOOD SUPPORTS PROGRAM

Trust funding $287,000

Arrow and Slocan Lakes Community Services (ASLCS) of Nakusp is acting as the Basin-wide delivery agent for the Trust's Early Childhood Supports Program.

"We know from our experience in communities how important the early childhood years are for the development of healthy individuals and communities. Providing support at this stage can prevent problems for people later in life," said Doug Switzer, ASLCS Administrator. "The Trust, in consultation with the public, client groups and service providers has responded to an identified need with the development of this program. We will be working with a wide-range of community organizations to ensure their success in supporting early childhood development in their area."

PHOTO BY TERESA LEAHY

Enjoying a day on the beach at Martha Creek Campground near Revelstoke, BC.

The Early Childhood Supports Program has three goals:

- To assist families in signficantly enhancing the skills and resources needed to help their children reach healthy maturation;
- To increase the ability of communities to work together to reduce the risk to children under the age of six years, and
- To increase awareness about the value of supporting children in their earliest years.

This project funding opportunity was advertised Basin-wide and closed June 5, 2000.

For More Information Contact: Doug Switzer, Administrator, Arrow and Slocan Lakes Community Services at 250-265-3674 or dswitzer@cancom.net

STEERING COMMITTEE

EDUCATION AND TRAINING SECTOR

Joanne Ellis (Winlaw)

Craig Hillman (Kimberley)

Madelyn MacKay (Nelson)

Alan Mason (Revelstoke)

Jim McAllister (Cranbrook)

Geoffrey Nagle (Golden)

Joe Ranalto (Rossland)

Staff Facilitator: Patty Bossort, Spending Program Co-ordinator

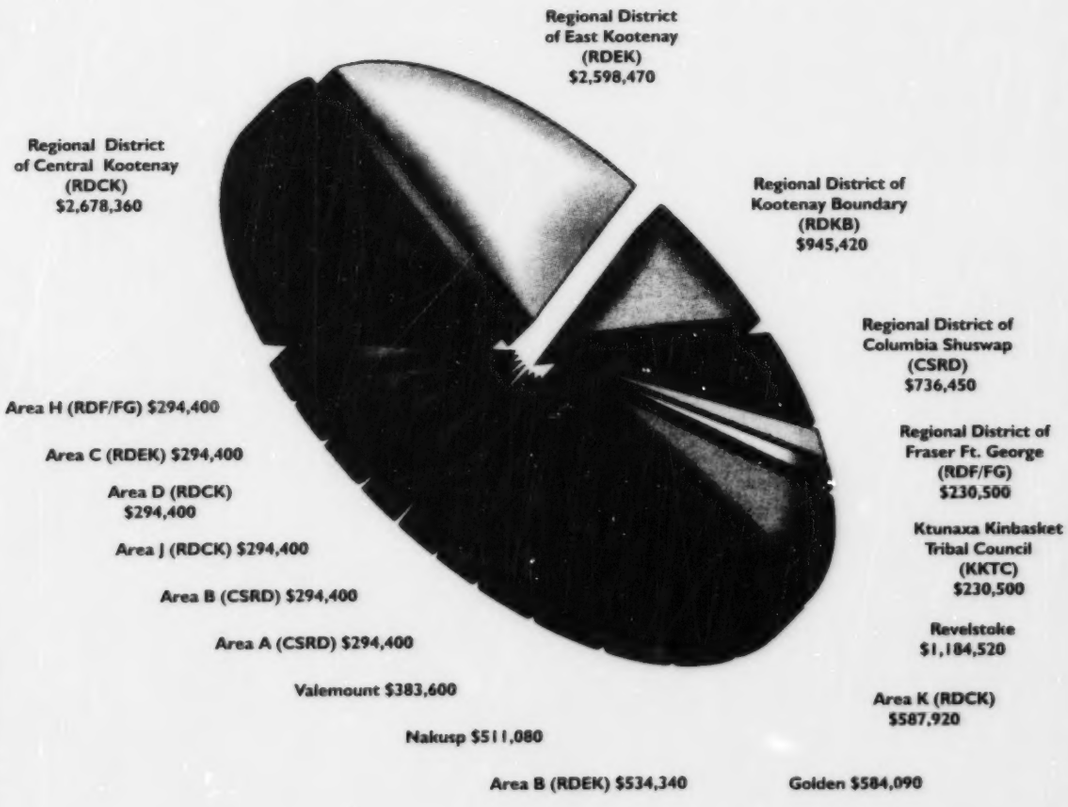
TRUST DIRECTOR

JOE PIERRE, Creston

As a Ktunaxa, I have a strong desire and commitment to experience and learn more about the political, economic and cultural mosaic of the Basin, which spans our traditional territory. I am excited and honoured to witness the present Treaty negotiations, and my dream is to continue building relationships that will collectively enhance a unique Columbia Basin culture as well as fulfill the objectives of the Trust.

BASIN COMMUNITY INITIATIVES

Funding over 10 years


Regional District of East Kootenay (RDEK) $2,598,470
Regional District of Central Kootenay (RDCK) $2,678,360
Regional District of Kootenay Boundary (RDKB) $945,420
Regional District of Columbia Shuswap (CSRD) $736,450
Regional District of Fraser Ft. George (RDF/FG) $230,500
Ktunaxa Kinbasket Tribal Council (KKTC) $230,500
Revelstoke $1,184,520
Area K (RDCK) $587,920
Golden $584,090
Area B (RDEK) $534,340
Nakusp $511,080
Valemount $383,600
Area A (CSRD) $294,400
Area B (CSRD) $294,400
Area J (RDCK) $294,400
Area D (RDCK) $294,400
Area C (RDEK) $294,400
Area H (RDF/FG) $294,400

LEGEND

- Red slices indicate funding from the Affected Areas Initiative
- All other colours indicate funding from the Basin Communities Initiative
- Brackets indicate which regional district the area is located in

BASIN COMMUNITY INITIATIVES AND AFFECTED AREAS PROGRAM

Trust Funding $12.9 million over 10 years

This program is delivered in partnership with the Regional Districts and the Ktunaxa/Kinbasket Tribal Council, and is in the second year of a 10 year commitment by the Trust. About $5.5 million is being channelled by the Trust back into the region for those areas of the Basin most affected by dam construction under the Columbia River Treaty. In addition to the affected areas funding the Trust is providing another $7.4 million over 10 years to every community in the region.

This money is intended to foster activities that each community deems most important, and to fund projects supported by the community that might otherwise not have been undertaken. Working with the Regional Districts and Tribal Council each area has developed their own process for public involvement in recommending and selecting projects for funding.

"Through this program more than 100 community projects have been funded to date," says Agnes Koch, Trust Spending Program Manager. "Some communities have found satisfaction in completion of a number of small short term projects, while others have chosen to work toward larger projects by committing these funds to projects over an extended period of time."

Working to deliver this long term program means the partners have the opportunity to refine program delivery processes to ensure community participation in project selection, and ensure appropriate project accountability, monitoring and evaluation.

While timeframes for project intake and selection can vary by area, generally speaking project selection is completed in the spring of each year.

For more information contact your local Regional District or Tribal Council Office.

PROJECT HIGHLIGHT

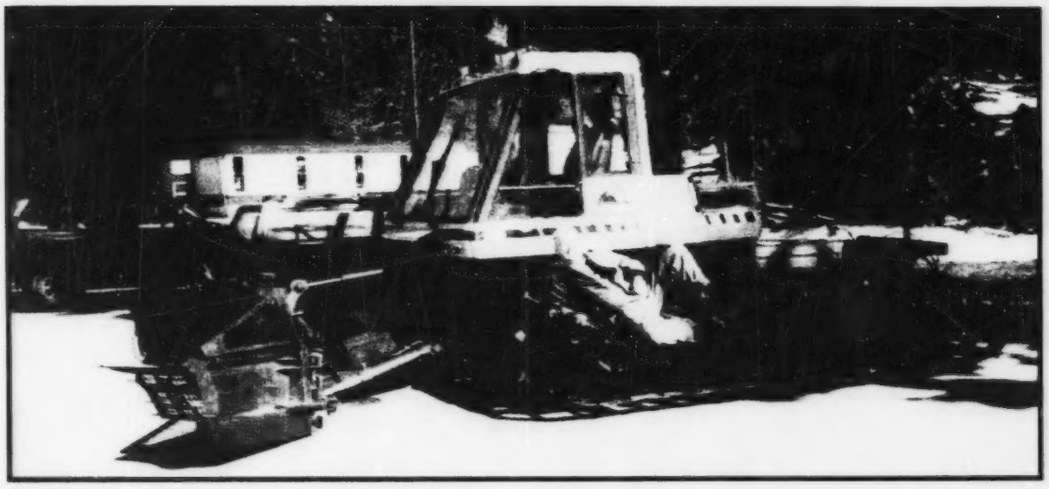
Beaver Creek Park

Trust Funding $10,000

Members of the Kiwanis Club of Trail have invested over 3000 hours of volunteer time, and $160,000 to date in improving campground and the day use area at Beaver Creek Park. The park is located 3km south of Trail at the confluence of Beaver Creek and the Columbia River.

"These improvements have already increased park usage. This year we have had a number of large groups of over 100 people use the park for family reunions and company picnics. Next year we expect 2000 Girl Guides to camp here for their annual jamboree. It's becoming a real gathering place for the community and visitors alike," says Cal Hockley, President Elect, Chair of the Park Committee, Kiwanis Club of Trail.

BASIN COMMUNITY INITIATIVES



Summit Lake Ski Hill Groomer

SOME PROJECT HIGHLIGHTS

Whitetooth Race Team Society purchase of break away gates and radios

$4,000 Community Initiatives funding

The Community Initiatives Program enabled the Whitetooth Race Team Society in Golden last year to purchase break away racing gates and two-way radios. According to Darren Dusevic of the Society, the team hosts at least two races each year involving as many as 250 children and teens.

"Before this we had some (gates), but we had to borrow some from other teams whenever we had races," said Dusevic, adding now they have enough to handle the demand.

Nakusp Ski Club Association purchase of a groomer

$40,000 Community Initiatives funding

Skiing hasn't been better since the addition of a new ski hill grooming machine at the Summit Lake Ski Area near Nakusp.

The groomer has improved skiing conditions and increased attendance to the hill because skiers are now able to venture into new areas on the hill, says Helmut Klughammer, a director with the Nakusp Ski Club Association, which purchased the groomer.

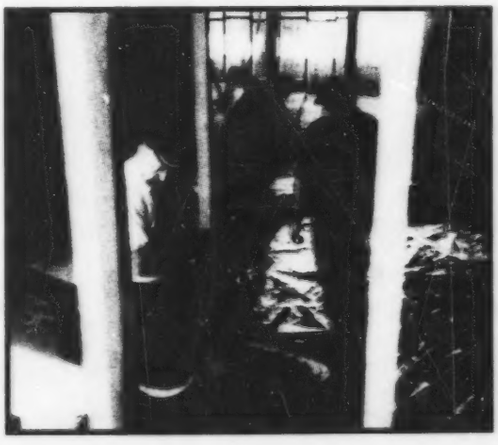
"What (the new grooming machine) has done is allowed us to groom an area we were never able to groom before," said Klughammer, adding the new machine also tills the hill which reduces icy patches. "So the ski conditions have improved immensely."

The Royal Canadian Legion Branch No. 24 Wall of Honour in Rotary Park, Cranbrook

$18,000 Community Initiatives funding

Wall of Honour

A 58-foot long mural depicting scenes from the Boer War to Canada's Peacekeeping Forces has been created in Cranbrook. The mural, which was painted on the Royal Canadian Legion Branch No. 24's Wall of Honour in Rotary Park by Cranbrook artist Joseph Cross, honours those who served for Canada during the past century, as well as those who will serve in the future. The 58-foot by 8-foot wall was originally constructed in 1992 next to the Cenotaph in Rotary Park. One side of the wall lists the names of Cranbrook and district residents who served in the Boer War, WWI, WWII, the Korean War, and peacekeeping forces.



Beaver Valley Curling Club

Trust Funding $28,000

130 volunteers from the Beaver Valley Curling Club have worked 6000 hours upgrading the curling clubroom and preparing to add a fourth sheet of ice to the rink. Total project cost is estimated at $ 220,000.

"This curling club has 440 members and is one of the highest usage rinks per ice sheet in the province. Improvements to the new club room have been timely since the local community center has been under renovation, and our new club room has been used by the community in the interim," says Ed Wilcox, Director

TRUST DIRECTOR

JEANNETTE TOWNSEND, Valemount

As a founding member of the Trust, I have had the privilege of helping the people of this region work toward the dream that they could benefit from construction of the Treaty dams. The integrity of their vision is now being realized as the Trust brings programs which improve communities and bring people together Basin-wide.

NEW PROGRAMS FALL 2000

MICRO ENTERPRISE LOAN FUND PILOT PROGRAM

Total Partnership Funding $192,000
Community Futures Development Corporation ($112,000)
Ministry of Community Development $50,000
Trust funding $25,000
Human Resources Development Canada $5,000

On behalf of the partners, The Community Futures Development Corporation (CFDC) will pilot the Micro Lending Program in the Regional District of Central Kootenay. The program will support the development of small businesses that would not traditionally qualify for bank or credit union loans. The Micro Enterprise Loan Fund will help people take charge of their own futures. It will create self-employment opportunities, and provide independent living options for lower-income and disadvantaged people. The fund will lend up to a maximum of $5,000 to businesses that require small amounts of capital and are able to repay the loan over a short period of time. If the pilot program proves successful consideration will be given to expanding the program throughout the Basin.

For More Information Contact: Andrew Earnshaw, Program Coordinator at 352-5777

BASIN BUSINESS ADVOCATES PROGRAM

Trust Funding $440,000

The Basin Business Advocates Program will provide businesses in the Basin with the services of advocates who will provide one-on-one counseling with new and existing businesses. The advocates will assess the strengths and weaknesses of the business using a proven assessment tool. Advice will be provided including access to networks, programs and funding which will support the ongoing development of the business.

For More Information Contact the Trust at 1-800-505-8998

ENVIRONMENTAL INFORMATION GATHERING STRATEGY and the TERRESTRIAL ECOSYSTEM CONSERVATION AND RESTORATION STRATEGIC PLAN

The Trust has hired consultants to develop an approach to these two important environmental sector programs. Watch your local media or visit the Trust website homepage at **www.cbt.org** for updates on progress toward development of these strategies.

CONTINUED FROM PAGE 5

ADVISORY PROCESSES

THE TRUST'S ORIGINAL ADVISORY COMMITTEE

In the spring of 1997 the Board appointed its first 11 member Advisory Committee from among 70 basin residents who had put their names forward for consideration. From the date of their appointment to July 1999 this Advisory Committee assisted the Board in the development of the short term plan, and the long term Columbia Basin Management Plan, and provided a broad overview of early program development. The Board has appreciated the advice and service to the Trust provided by the original advisory committee during their tenure.

SPENDING PROGRAM DELIVERY SECTOR STEERING COMMITTEES

As the work of the Trust moved from planning to the program delivery phase the Trust further expanded its advisory processes and sought the advice of people in the region with expertise in specific spending program areas. These people assist in setting program priorities that meet the goals and objectives of the Plan, and they provided input on how best to deliver these programs. Initially, these people were drawn from among community focus group attendees, and invited to bring a Basin-wide perspective to Sector Steering Committees for the development of social, economic, environmental and educational programming.

Early development of the sector steering committees was guided by Trust Directors, who initially chaired the committees:

Economic Sector Chair – Director, Jeannette Townsend (Valemount)

Education Sector Chair – Director, Sandy Korman (Castlegar)

Environmental Sector Chair – Director, John Bergenske (Skookumchuk)

Social Sector Chair – Director, Jo Brown

Sector committees average about 10 members each. The current members are listed in conjunction with sector program information in this report. In addition, the Arts, Culture and Heritage sector has a steering committee of basin residents derived from the Columbia Kootenay Cultural Alliance's unique structure as an umbrella organization of Regional Arts Councils Basin-wide.

Now that the committees are well established the Board has determined that Directors will step down from the committees in favour of having the group chose a Chair from among their members. Each committee continues to have the support of spending program staff. As part of the on-going policy development work terms of reference for the steering committees are being developed. These terms of reference will include provisions for the future selection of committee members, their qualifications, and terms of office.

REVIEWING PROGRESS TOWARD DELIVERING THE PLAN

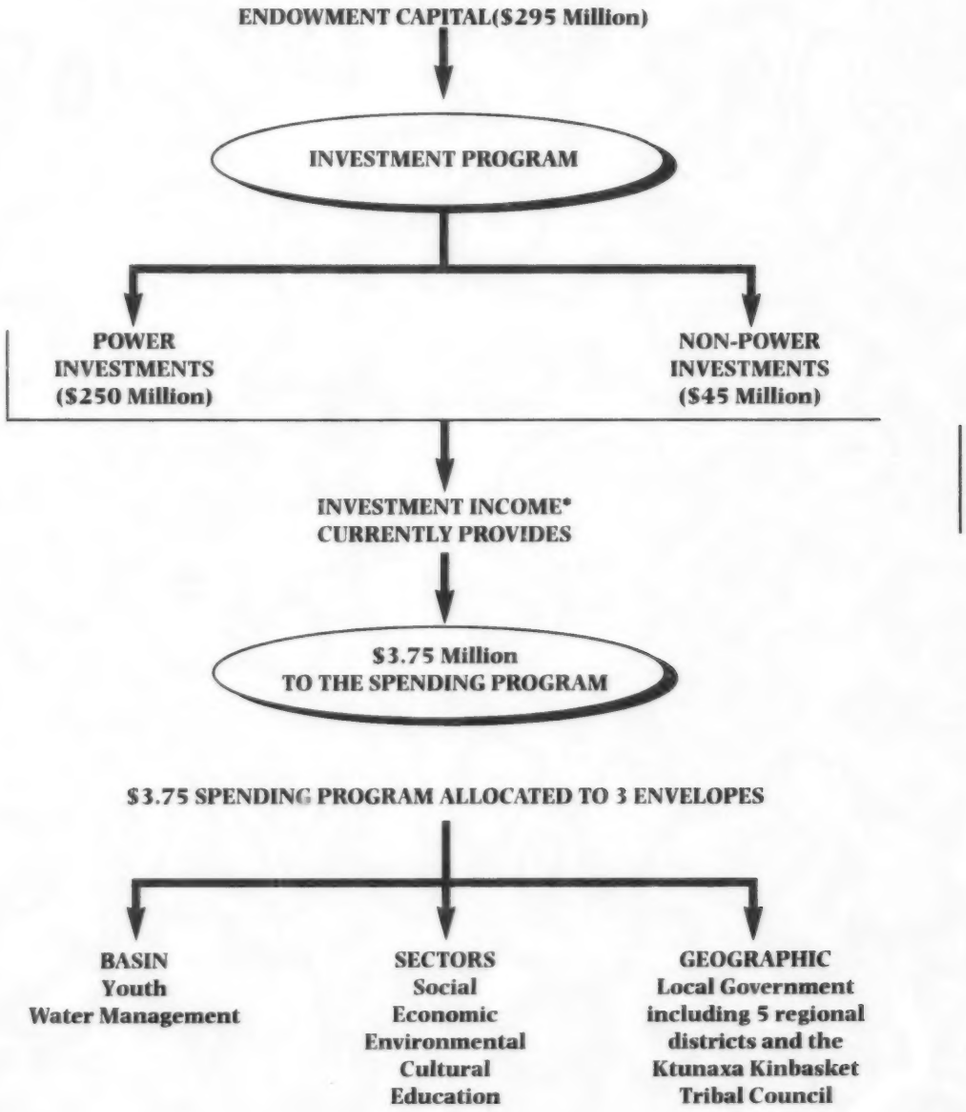
The Columbia Basin Management Plan requires that the Trust involve the people of the Basin in monitoring its progress toward implementing the Plan, and the effectiveness of the investment and spending programs.

As required by the Plan, a third party consultant has been hired to assist with this process which is intended to be done in co-operation with other agencies and organizations throughout the Basin. The experience gained from implementing and monitoring the Plan will determine where there is a need for the Board to review the Plan to maintain its objectives within a three to five year planning horizon.

With that in mind, in the fall of 2000 and spring of 2001 the Trust will again be consulting with the people of the Basin trhough a series of community workshops and associated outreach activities.

TRUST FINANCIAL FRAMEWORK

1999 - 2000



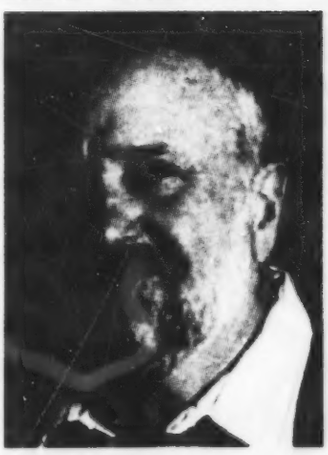
** Investments currently provide $ 3.75 million per year for the spending program. By 2002 this could rise to $10 million per year.*

FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS

	Fiscal Years Ended March 31 2000	1999
OPERATING RESULTS		
Total revenues	5,929,083	5,746,943
Net investment income	3,929,083	3,746,943
Total power project revenue	10,932,709	10,333,216
Net power project investment income	1,265,776	1,091,559
Return on investment deposits and securities	5.22 %	5.35 %
Return on power project equity	5.46 %	4.71 %
FINANCIAL POSITION		
Total assets	272,627,480	219,688,046
Long term debt	130,039,912	104,236,919
Endowment capital	139,021,159	112,455,442
SELECTED DATA		
Business loans	3,026,388	987,563
Venture capital loans	8,110,687	682,496
Power projects	108,475,717	84,901,854
Real estate projects	422,322	175,419
Spending program project disbursements	3,173,506	1,432,825
Spending program project commitments	563,709	477,125
Operations and program development costs	1,812,198	1,672,856

TRUST DIRECTOR



JOHN VOYKIN

My commitment to working with the Columbia Basin Trust Board and the Basin residents is to be creative in responding to the challenges before us, now and in the future.

CONTACTS

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AVAILABLE FREE: CALL THE TRUST

VIDEOS

(1) COLUMBIA TREATY HISTORY
Shows the effects of dam construction on the communities of the Basin

(2) FROM TREATY TO TRUST
Describes the formation of the Trust

COLUMBIA BASIN TRUST

WATER MANAGEMENT ACTIVITIES TO DATE

1998

- Transboundary Forum on Ecosystem-based Management for the Columbia River held in Castlegar. A total of 48 agencies and organizations from the US and Canada participate in the design and implementation of the Conference attended by more than 300 people.
- Josh Smienk, Chair of the Trust, and Lorne Sivertson, President of the Columbia Power Corporation speak to members of the World Bank on the positive and negative effects of dam construction and how the World Bank can use this information to ensure the negative effects are not repeated.
- As part of a joint initiative of the Trust and NPPC, members of organizations from Canada and the US conduct an information sharing tour of the Columbia, Kootenay , Pend d'Oreille and Kettle Rivers from Kettle Falls to Creston.

1999

- As part of a joint initiative of the Trust and NPPC, members of organizations from Canada and the US conduct an information sharing tour of the Columbia and Kootenay Rivers from Libby Dam to Valemount, and a second tour of the Lower Columbia from Portland to Astoria Oregon.
- Trust participates in NPPC Multi-Species analysis initiative to examine strategic sustainability options for managing a range of values on the Columbia River.
- Trust and NPPC invited to participate in World Commission on Dams review of the Grand Coolee Dam to contribute to a study of the impacts of dam development.

2000

- Trust and NPPC work toward formalizing their international liaison relationship.
- Trust Board establishes a working group to clarify ideas before about water management and develop a strategic plan in consultation with other organizations.

For More Information about the Northwest Power Planning Council call John Harrison, Information Officer 1-800-452-5161 or visit their website at **www.nwppc.org**

For More Information about the Columbia Basin Trust call 1-800-505-8998 or visit our website at **www.cbt.org**

KEY ORGANIZATIONS INVOLVED IN WATER MANAGEMENT ISSUES

The Trust currently has developed relationships with the following organizations in regard to water management. There are many other organizations working in this field of interest. Over the next year or two we hope to expand our contacts with these groups.

UNITED STATES

Bonneville Power Administration

Bureau of Reclamation

Confederated Tribes of the Colville Reservation

Environmental Protection Agency

Columbia River Inter-tribal Fish Commission

National Marine Fisheries Service

Northwest Power Planning Council

Pacific Salmon Commission

US Army Corps of Engineers

US Fish and Wildlife Service

CANADA

BC Hydro

BC Ministry of Environment

Canadian Columbia River Inter-tribal Fisheries Commission

Columbia Basin Trust

Columbia Basin Fish and Wildlife Compensation Program

Columbia Power Corporation

Cominco

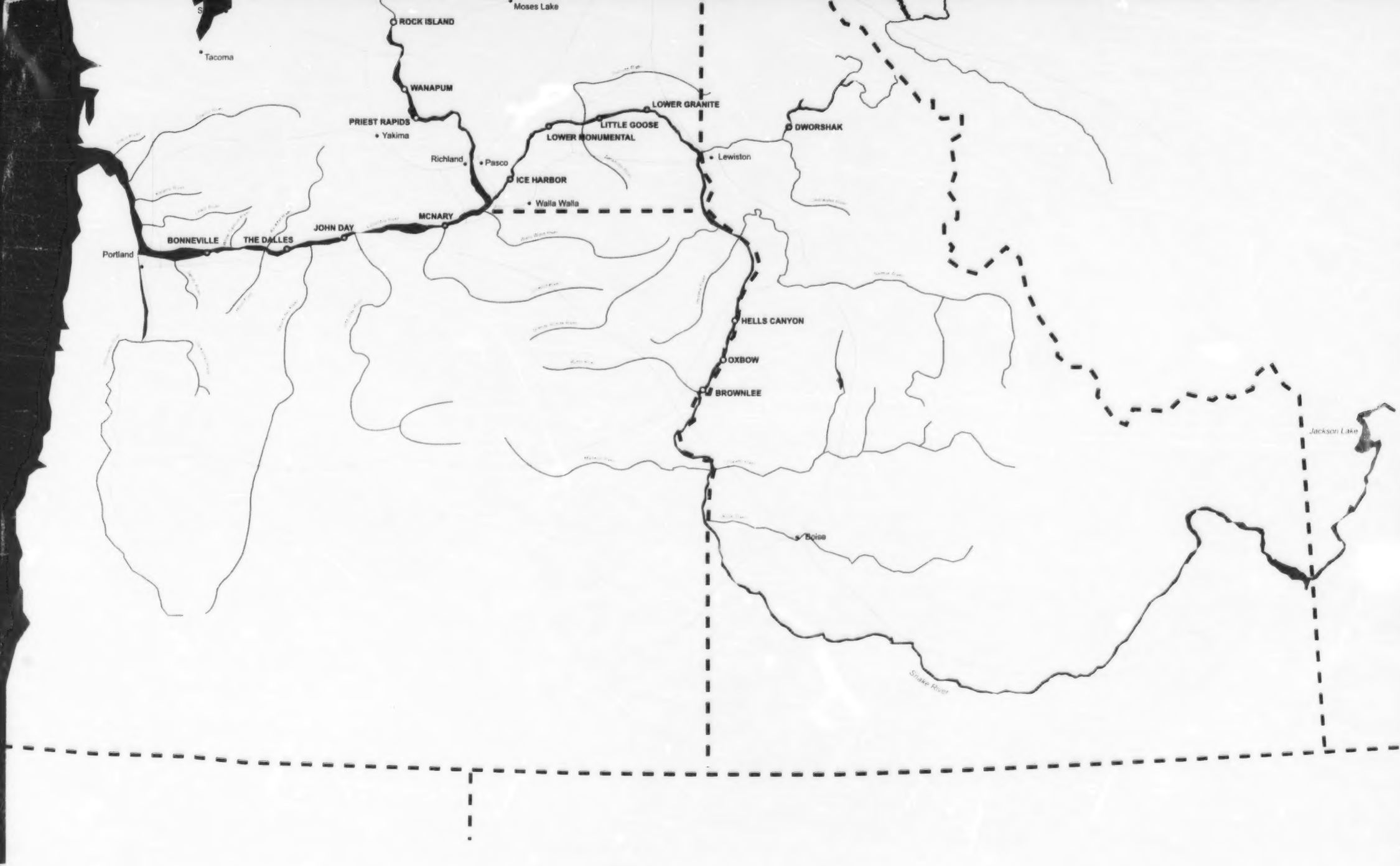
Environment Canada

West Kootenay Power

Columbia River Basin

LEGEND

- BC Hydro Dams
- Columbia Power Corporation/ Columbia Basin Trust Dam
- Dams owned by others in Canada
- Corps of Engineers Dams
- Dams owned by others in U.S.
- Bureau of Reclamation Dams
- Treaty Dams
- Cities
- Highways
- Boundary
- Water Flows
- Columbia Basin in Canada as setout in the Columbia Basin Trust Act
- Rivers in this area flow into the Columbia Basin in the U.S.
- Columbia Basin in U.S.



COLUMBIA BASIN TRUST

COLUMBIA POWER

Northwest Power Planning Council

WATER MANAGEMENT

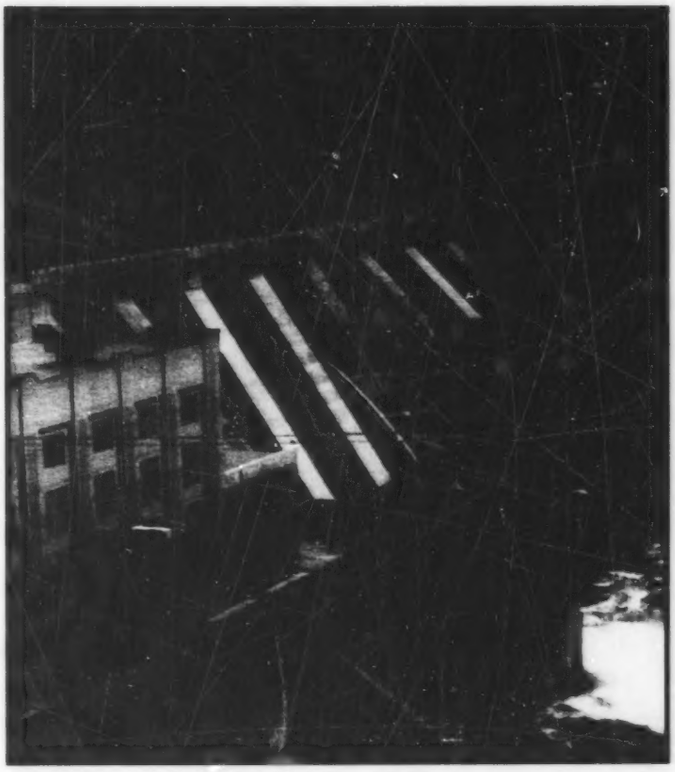
COLUMBIA RIVER QUICK FACTS

- 1,200 miles long
- Headwaters near Canal Flats in southeastern BC, reaches the ocean at Astoria Oregon
- River runs north for the first 200 or more miles before turning south at Revelstoke, BC and flowing into the US just south of Trail BC
- Drains 259,000 square mile basin
- 15% of the basin or 39,000 square miles are in Canada
- Third longest North American River that reaches the ocean
- Humans have lived along the river for more than 10,000 years
- Largest major tributary is the Snake River in the US, itself more than 1,100 miles long
- Most hydro-electrically developed river system in the world
- More than 400 run-of-the river dams on the mainstem
- Hundreds of major and modest dam structures on the tributaries
- Columbia River generating capacity estimated at more than 21 million kilowatts
- Largest dams on the system Bonneville (1928) and Grand Coulee (1941)
- Mica (1973) and Keenleyside Dams (1968) were built on the mainstem Columbia River in Canada under the Columbia River Treaty.
- The third Canadian dam built under the Treaty, the Duncan Dam (1967), is on the Lardeau/Kootenay River tributary
- Lake Koocanusa, near Elko BC is the upper end of Montana's Libby Dam reservoir which flooded into Canada. Libby Dam affects the flow of the Kootenay River back into Canada. The Kootenay joins the Columbia River at Castlegar BC
- Columbia River is a snow charged river that fluctuates seasonally in volume
- Annual average discharge is 160 million acre-feet of water
- Highest volumes between April and September. Lowest volumes from December to February
- From its source at 2650 feet above sea level the river falls an average of more than 2 feet per mile before reaching the ocean
- Between 1860 and 1960 commercial fisheries annually harvested millions of pounds of anadromous fish, especially five species of salmonids. Since the early 1970's the fish catch has dramatically declined and several species are now endangered

Most reference information prepared by Bill Lang, Professor of History, Director Center for Columbia River History, Portland State University, Portland, Oregon 97207

1-503-725-8023. langw@pdx.edu or www.cath.org/river/history/htm

WATER MANAGEMENT ADVOCACY



Over the past four years the Columbia Basin Trust has been actively working primarily with agencies in Canada and the US to become a voice for better water management in the whole Columbia Basin.

Today, we recognize the economic losses in the region, and environmental effects of dam construction. Agencies in Canada and the U.S. have begun to work together, share information, and define their common interests and the range of values which must be addressed in the future operation of the Columbia River system.

The Trans-boundary forum on the Columbia River held in 1998 took a scientific approach to management of the Columbia River drainage as a major North American ecosystem which is regulated by myriad of agencies and jurisdictions along its length. Many of these agencies are making decisions about the river ecosystem and its use, without a good understanding of the implications of these decisions on community, economics, power generation, agriculture, recreation and cultural interests all along the waterway.

The Trust has been working closely with the Northwest Power Planning Council (NPPC) the only US agency with a statutory obligation to protect, mitigate and enhance fish and wildlife, while also ensuring the northwest an adequate, efficient, economical and reliable power supply. The Council has taken a lead role in the development of a multi-species model which looks at the legal, institutional, and policy barriers which limit the ability to protect ecosystems, improve fish and wildlife habitat and improve water management in the US.

"The Trust is just now formalizing its relationship with the NPPC," said Garry Merkel, Trust Vice- chair and liason to the NPPC The Council's experience in analyzing the risks and benefits of a range of sustainability options is applicable to similar issues in the Canadian Columbia Basin. If we can add Canadian data to the US analysis it will enhance their process, and provide a better base for the development of similar strategic approaches to the management of the Columbia River and its ecosystems in Canada.

"We must work with everyone with an interest in sustaining the Columbia River in a healthy state for the future," said Merkel. "Establishing this liaison as a basis for information sharing, joint action and participation in a future review of the Columbia River Treaty in 2014 will require dedication, allocation of resources, and relationship building for the long term."

Recently a working committee of the Board has begun the process of clarifying our ideas about water management as the basis for developing a strategic plan. "Our approach is to involve people and organizations inside and outside the Basin in the development of a strategic approach to these critical issues," said Merkel.